

OCONEE COUNTY COUNCIL

Oconee County, South Carolina

STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT

Plan Overview

January 8, 2013

Presented By:
Kyle Talente, Vice President and Principal
RKG Associates, Inc.



What's in the Final Report?

- **Chapter 1 – “Cliff’s Notes” to the entire document**
- **Chapter 2 – Brief introduction to why this is important**
- **Chapter 3 – Socioeconomic Analysis**
- **Chapter 4 – Real Estate Market Assessment**
- **Chapter 5 – Strategic target industry clusters**
- **Chapter 6 – Implementation recommendations**

Economic Development Goals

- **Attract high quality, primary jobs for Oconee County residents**
- **Enhance the County's industry retention and expansion efforts**
- **Diversify the County's employment and tax base**
- **Make Oconee County attractive to a wide variety of residents**
- **Keep and preserve the County's natural beauty**
- **Market Oconee County efficiently and effectively**
- **Reduce local unemployment**



Target Industry Clusters

- **Economic Development Commission clusters**

- Healthcare & bioscience/biomechanical manufacturing
- Product manufacturing
- Automotive manufacturing
- Energy product manufacturing
- Warehousing, logistics, and distribution

- **Collaborative EDC efforts**

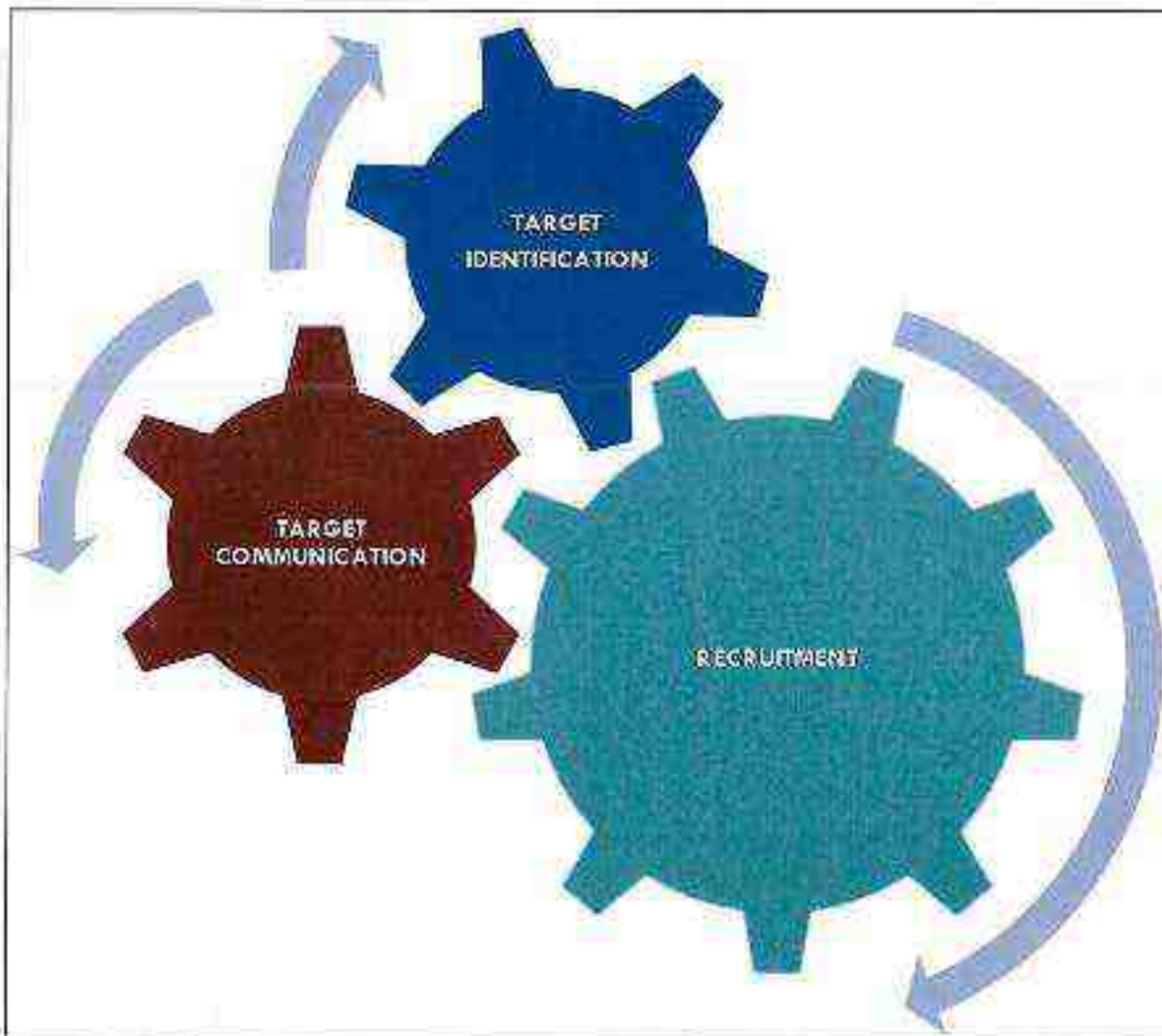
- Agribusiness
 - Local cooperative initiative
- Tourism and Hospitality
 - PRT and CVB initiative



RKG



Industry Recruitment and Asset Cultivation



- Identify potential targets based on local/regional strengths and assets
- Implement comprehensive outreach strategy to targets
- Determine those targets with the greatest interest/potential for Ocone
- Continue recruitment with priority targets, restart process

RKG

OFFICE
OF THE
GOVERNOR
OF
RECRUITMENT
AND
EMPLOYMENT

Industry Recruitment and Asset Cultivation

- **Create target industry marketing collateral**
 - Quality of life, industry data, incentives, technology, available properties
 - Business testimonial book
- **Prioritize industry cluster outreach**
 - Phase 1 – Product and automotive manufacturing
 - Phase 2 – Health care, energy manufacturing, and logistics
 - Phase 3 – Agribusiness and tourism (partnerships)
- **Develop ambassador program**
 - Local industry leaders
 - Best, not the biggest
- **Implement target recruitment events**
 - Locally held events (2-5 targets)
 - Outreach trips (10-20 targets)
 - Leverage resources from regional/state partners



Marketing and Outreach Strategies

- **Provide better, more direct information**
 - Prospects, investors, partners, site selectors
 - Access to marketing collateral, local information
 - Increase social media presence (Facebook, Twitter, LinkedIn...)
 - eNewsletter, opinion editorials, press releases
 - Community-friendly section on website
- **Be more proactive in community communication**
 - Educate about economic development (ED 101, meeting in a box...)
 - Interact on goals and visions (Town halls, forums, lectures...)
 - Empower local leaders to help out
- **Enhance retention efforts**
 - Business survey
 - Site visits
 - Program and policy handbook
 - Ambassadors

Stakeholder Coordination

- **Build relationships before building partnerships**
 - Local partners, regional partners, statewide partners
 - Public sector, private sector, peers
 - A rising tide...
- **Implement standing committees for EDC**
 - Recruitment
 - Marketing
 - Small business
 - Workforce
 - Retention
- **Develop stronger relationships with industry leaders**
 - Real estate professionals
 - Property owners
 - Site selectors



Organization Structure

- **Create 501(c)(3) implementation corporation**
 - **Vehicle to leverage private resources for recruitment and retention**
 - Reconfigure EDC board of directors to include more industry leadership
 - Staff to remain County employees
 - Accountability remains the same, financial and human resources improve
- **Staff EDC for success**
 - Executive director (now)
 - Economic development manager (now)
 - Marketing and research manager
 - Contract short-term
 - Permanent staff member within 12-18 months
 - Administrative support staff (long-term)

Organization Structure

- **Develop advisory panels in areas with indirect influence**
 - Workforce and education
 - Tourism
 - Financial services
 - Real estate professionals
- **Provide advisory services to Oconee County**
 - Be the technical resource for businesses, governments, community
 - Regulatory tools
 - Incentive structuring and creation
 - Infrastructure needs/opportunities

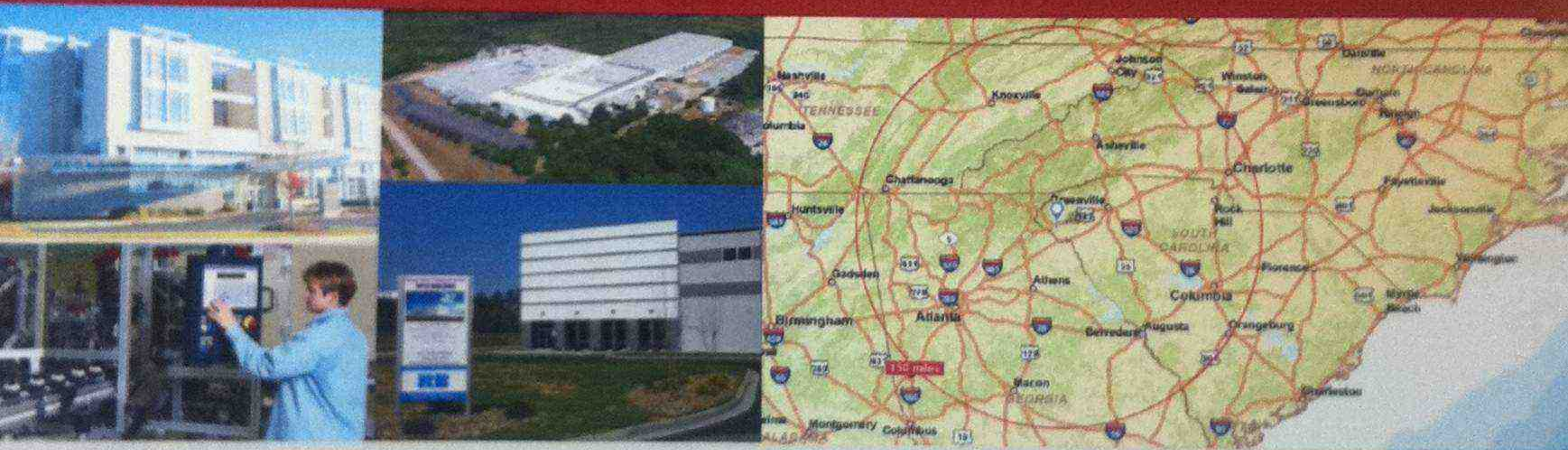
RKG

THREE
COUNTY
ECONOMIC
DEVELOPMENT
CORPORATION

January 4, 2013

STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT

Oconee County, South Carolina



Prepared By:



RKG Associates, Inc.

Economic, Planning and Real Estate Consultants

300 Montgomery Street, Suite 203

Alexandria, Virginia 22314

Tel: 703.739.0965

Fax: 703.739.0979

www.rkgassociates.com

**STRATEGIC PLAN FOR
ECONOMIC DEVELOPMENT**

Oconee County, South Carolina

January 4, 2013

Prepared for:

Oconee County Economic Development Commission
502 East Main Street
Walhalla, South Carolina 29691
Tel: 864.638.4210
Fax: 864.638.4209

Prepared by:



RKG Associates, Inc.
Economic, Planning and Real Estate Consultants
300 Montgomery Street, Suite 203
Alexandria, Virginia 22314
Tel: 703.739.0965

Fax: 703.739.0979

TABLE OF CONTENTS

| | | |
|------------------|---|-----|
| Chapter 1 | EXECUTIVE SUMMARY | |
| A. | Project Background | 1-1 |
| B. | Economic Development Goals | 1-2 |
| C. | Target Industry Clusters | 1-2 |
| 1. | Healthcare & Bioscience/Biomechanical Manufacturing | 1-3 |
| 2. | Product Manufacturing | 1-3 |
| 3. | Automotive Manufacturing | 1-4 |
| 4. | Energy-Related Manufacturing | 1-4 |
| 5. | Warehousing, Logistics, Distribution | 1-5 |
| D. | Collaborative Targets | 1-5 |
| 1. | Agri-Business | 1-5 |
| 2. | Tourism and Hospitality | 1-6 |
| E. | Priority Actions | 1-6 |
| 1. | Create Formal Marketing Collateral | 1-7 |
| 2. | Create a 501(c)(3) Implementation Body | 1-7 |
| 3. | Establish a Business Plan | 1-7 |
| 4. | Hire a Marketing and Research Manager | 1-7 |
| 5. | Outreach and Networking | 1-7 |
| | | |
| Chapter 2 | INTRODUCTION | |
| | Narrative | 2-1 |
| | | |
| Chapter 3 | SOCIOECONOMIC ANALYSIS | |
| A. | Introduction | 3-1 |
| B. | Demographic Trends and Projections | 3-2 |
| 1. | Population | 3-2 |
| 2. | Population by Age | 3-3 |
| 3. | Racial and Ethnic Composition | 3-4 |
| 4. | Households | 3-5 |
| 5. | Household Income | 3-6 |
| 6. | Education Attainment | 3-6 |
| C. | Economic Base Analysis | 3-7 |
| 1. | Employment Levels | 3-8 |
| 2. | Major Employers | 3-9 |
| 3. | Labor Force and Unemployment Trends | 3-9 |

| | | |
|------------------|---|------|
| 4. | Occupational Skill Levels | 3-10 |
| 5. | Regional Commuting Patterns | 3-12 |
| D. | Implications | 3-12 |
| | | |
| Chapter 4 | REAL ESTATE MARKET ANALYSIS | |
| A. | Introduction | 4-1 |
| B. | Residential Analysis | 4-1 |
| 1. | Residential Housing Supply | 4-1 |
| 2. | Residential Market Trends | 4-3 |
| C. | Nonresidential Analysis | 4-9 |
| 1. | Nonresidential Building Inventory – Oconee County | 4-9 |
| 2. | Industrial Market Trends | 4-10 |
| 3. | Office Market Trends | 4-13 |
| 4. | Nonresidential Land Inventory | 4-15 |
| D. | Implications | 4-21 |
| 1. | Residential | 4-21 |
| 2. | Nonresidential | 4-21 |
| | | |
| Chapter 5 | INDUSTRY TARGET AND CLUSTER ANALYSIS | |
| A. | Introduction | 5-1 |
| B. | Business Climate Factors | 5-2 |
| 1. | Financial and Assets Income | 5-2 |
| 2. | Business and Jobs | 5-5 |
| 3. | Housing and Homeownership | 5-5 |
| 4. | Healthcare | 5-5 |
| 5. | Education | 5-5 |
| 6. | State Minimum Wage | 5-6 |
| 7. | Implications | 5-6 |
| C. | Top Site Selection Factors | 5-6 |
| D. | Quality of Life Factors | 5-9 |
| 1. | Crime | 5-9 |
| 2. | Healthcare Facilities | 5-9 |
| 3. | Housing Costs and Availability | 5-10 |
| 4. | Ratings of Public Schools | 5-10 |
| E. | Regional Cluster Analysis | 5-11 |
| 1. | Overview | 5-11 |
| 2. | Industry Screening | 5-12 |
| 3. | Recommended Target Industry Clusters | 5-14 |
| F. | Collaborative Targets | 5-20 |
| | | |
| Chapter 6 | IMPLEMENTATION STRATEGY | |
| A. | Introduction | 6-1 |
| B. | Proposed Economic Development Goals | 6-1 |

| | | |
|----|--|------|
| C. | Industry Recruitment and Asset Cultivation | 6-3 |
| 1. | Create Target Industry Marketing Materials | 6-4 |
| 2. | Prioritize Industry Cluster Implementation | 6-7 |
| 3. | Develop a Business Ambassador Plan | 6-7 |
| 4. | Target Industry Recruitment Visits | 6-7 |
| 5. | Continue Implementing the Capital Projects Initiatives | 6-8 |
| D. | Marketing and Outreach Strategies | 6-8 |
| 1. | Media Outreach Campaign | 6-9 |
| 2. | Community Coordination Strategy | 6-10 |
| 3. | Business Outreach Efforts | 6-13 |
| E. | Stakeholder Coordination | 6-14 |
| 1. | Stakeholder Organization | 6-15 |
| 2. | Strategic Relationships | 6-15 |
| F. | Organization Structure | 6-16 |
| 1. | Implementation Entity Structure | 6-17 |
| 2. | Staffing | 6-17 |
| 3. | Partner Leveraging Programs | 6-18 |
| 4. | Advisory Strategies | 6-19 |
| G. | Implementation Matrix | 6-20 |
| H. | Potential Costs | 6-30 |
| 1. | One-Time Costs | 6-30 |
| 2. | Staffing and Operations | 6-30 |
| 3. | Small Business Programs | 6-30 |
| 4. | Market and Asset Programs | 6-31 |
| 5. | Marketing and Outreach Programs | 6-31 |

1 EXECUTIVE SUMMARY

A. PROJECT BACKGROUND

The Oconee County administration's purpose in seeking an updated strategic plan for economic development is to continue to improve the quality of life for its citizens by building a robust and healthy economy that is both diversified and sustainable. At the base level, the County elected body recognizes that it is essential to think and act in a coordinated, efficient manor when utilizing precious County resources to expand the local economy. More strategically, the Strategic Plan for Economic Development should provide the "road map" for the County to succeed in attracting private investment within an extremely vibrant, but competitive regional market. Simply put, Upstate region has experienced positive economic growth. However, there has not been parity in the distribution of that success. RKG Associates recognizes that maintaining focus in development recruitment and retention efforts ultimately will benefit the County's economic base.

RKG Associates, Inc. (RKG) worked with the Oconee County administration, the Oconee County Economic Development Commission (EDC) and a carefully organized steering committee representing strategic business, community, real estate and government entities. The resulting implementation strategy reflects the unified vision of these stakeholders to promote a coordinated, efficient program that utilizes County resources towards job creation and retention. More strategically, this plan provides specific directives for the County to employ in its efforts to attract private investment and expand its business and industrial base. The following plan incorporates short-, medium-, and long-term initiatives that will enable the County to take immediate action on certain tasks as well as take initial steps in the planning for long-term projects.

Business retention and recruitment is a complex effort that requires coordination and cooperation from a number of stakeholders. For a community the size and scale of Oconee County, an effective economic development implementation plan will require participation from the utility companies, workforce and education providers, local businesses, financial institutions, community leaders, regional marketing partners, and state officials to name a few. Ultimately, the ability of Oconee County to leverage local resources efficiently will require buy-in and support from a number of entities that share the common goal of building a robust and healthy economy that is both diversified and sustainable.

It is important to note that the Administration, EDC and steering committee recognize that the complete action plan is aspirational, and reflects the long-term, comprehensive vision for Oconee County. The steering committee anticipates that implementation of the entire

program will be incremental over several years as resources become available. Through this process, RKG Associates and the EDC staff have identified opportunities for Oconee County to implement more effective and efficient programs and policies to promote job retention, business expansion, and job recruitment. The plan is presented within the context of a preferred phasing strategy that prioritizes actions and efforts.

B. ECONOMIC DEVELOPMENT GOALS

The County administration, EDC staff, and steering committee identified and refined the strategic overarching goals that serve as the framework for all recommended actions. These goals focus on having an economic development effort that maximizes the County's ability to leverage its limited resources. Specifically, the strategic plan for economic development goals reflect the universally supported desire for County-wide economic development efforts to be focused in order to improve the potential for success. The steering committee and EDC staff understand and embrace the concept that these goals are dynamic, and should be revisited regularly to ensure they most accurately reflect the desires of the community, available market opportunities, and the financial priorities of Oconee County. The 2012-2013 goals include:

- To attract high quality, primary jobs for Oconee County residents
- To enhance the County's industry retention and expansion efforts
- To diversify the County's employment and tax base
- To make Oconee County attractive to a wide variety of residents
- To keep and preserve the County's natural beauty
- To market Oconee County efficiently and effectively
- To reduce local unemployment

The proposed action plan detailed at the end of this report reflects those opportunities and recommended approaches to position Oconee County to best meet these goals. The following narrative provides a brief review of those complex efforts.

C. TARGET INDUSTRY CLUSTERS

It is important to state up front that Oconee County should not refuse any opportunity to attract new businesses. While this strategy envisions the County will focus its marketing efforts to improve the potential for success, other opportunities will occur whether directly or indirectly related to the County's efforts. The strategic plan recognizes that the target industry clusters are a guideline to improve the effectiveness of the EDC's marketing efforts, and not a limiting factor. To this end, building relationships with site selectors, developers, investors, recruitment partners (i.e. Upstate Alliance and SCDoc), and existing industry leaders is equally important to recruiting jobs to Oconee County. The following industry

clusters (in no particular order) represent those opportunities where Oconee County has the greatest chance to successfully attract companies.

1. Healthcare & Bioscience/Biomechanical Manufacturing

The healthcare sector is an important component of the regional economic base. Given the existing employment concentration and historical growth of the local and regional healthcare sector, it is considered to be a very strong local fit as a target cluster for the County. Initial opportunities for expansion are likely to lie in existing services such as expansion of doctor's offices, hospital facilities and nursing care. Oconee County, like many areas of the country, has an aging population that will increase the demand for medical services if they elect to remain in the community as they grow older. Along with increasing geriatric care, there may be other opportunities to expand specialized treatment facilities based on further strategic planning with area healthcare leaders.

A second, and perhaps more long-term, potential opportunity within this target cluster, lies in the biosciences and bio-manufacturing sectors. This focus within the healthcare cluster relates to the identified regional targets that seek to grow in areas such as manufacturing of pharmaceuticals and medical devices, research and testing, and bio-agriculture. Within these niche areas the most viable options for the Oconee County are considered to be the manufacturing of pharmaceuticals and medical devices given that the County has an existing industry base in chemical and other types of manufacturing and also has a skilled manufacturing labor force.

2. Product Manufacturing

The manufacturing sector continues to be both the County's and the region's single largest employment sector. In Oconee County, there are a number of strong subsectors within the industrial grouping including plastics and rubber, fabricated metals, computer and electronics, and electrical equipment. Despite net employment losses over the past decade, there are a number of local and national indicators that manufacturing employment will grow. It should also be noted Oconee County's manufacturing base remained strong in a number of subsectors, including primary metal manufacturing, computer and electronics, and electrical equipment manufacturing.

Product manufacturing is considered to be a very strong fit for target industry recruitment efforts within the County. This will largely be a continuation of previous efforts but should not be overlooked due to the relative strength exhibited by historical growth rates. The County should, to the extent possible, insure that existing businesses can attract and retain an adequate supply of labor, have sufficient infrastructure to grow their operations, and obtain available financial support. Promoting use of the Norfolk Southern rail line, which has access to the Port of Charleston and the proposed Upstate inland port, could also help to grow and attract manufacturing within the County.

3. Automotive Manufacturing

The automotive manufacturing sector has undergone significant upheaval throughout the country, particularly over the past five years. However, there are positive signs in the industry that it is emerging as a smaller, but more efficient and focused manufacturing and employment sector. Despite losses at the national level, automotive manufacturing has remained a solid component of both the local and regional economies within the greater Oconee County area. Despite these losses, the cluster has a high concentration with a Location Quotient (LQ) of 2.5 and 1.8 respectively, within the County and region.

The Local Fit for this cluster is considered to be strong for a number of reasons. These include the existence of local firms such as BorgWarner, Johnson Controls, Parkway Products, and U.S. Engine Valve, as well as the presence of BMW, Michelin, and other leading industry firms in the region, the pending Caterpillar facility in Athens-Clarke County, the existence of Clemson University's automotive technology centers, and the availability of a skilled manufacturing workforce. Given these and other factors, this cluster continues to hold potential for future business and employment growth in progressive niche markets that are emerging within the industry. These would include advanced materials manufacturing to make vehicles lighter and stronger, technology to make the more fuel efficient (hybrids or zero emissions) and "smarter" vehicles, as well as the manufacturing of conventional components that are now commonly produced by a chain of tiered suppliers.

Furthermore, this cluster has also been identified as a regional priority by the Upstate Alliance. Therefore, any efforts by the county to market and recruit towards businesses in this cluster could be dovetailed with regional activities.

4. Energy-Related Manufacturing

Providing a reliable and sustainable supply of energy has been, and will continue to be, a primary concern for the nation's economy. Like many industrial sectors across the country, the production and management of our energy sources and distribution systems are undergoing fundamental and long-term changes. Efforts to expand renewable and sustainable sources such as solar, wind, and nuclear, are also growing. The region's energy cluster is primarily centered around the nuclear power industry which has as one of its primary driver, Duke Energy's plant and facilities in Oconee County. Other related firms included Ulbrich Precision Flat Wire, Itron Inc., ITT Control Technologies, Dynamic Fluid Components, and the Blue Ridge Electrical Co-op.

Overall, the local fit is very strong for this cluster as well as its subsectors, and the cluster has also been designated as a regional target industry priority by the Upstate Alliance. Opportunities for growing this cluster are expected to be found in three or four niche areas. These will include the manufacturing of mechanical and electronic components for renewable energy technologies, components for the nuclear energy industry as well as the electrical distribution system, and the development of new technologies to support the energy sector as a whole.

5. Warehousing, Logistics, Distribution

The warehousing, logistics, and distribution cluster is considered to be both a potential stand-alone cluster target for Oconee County, as well as an umbrella cluster that is related many other sectors in the region that require the storage and transportation of goods. The cluster has a strong existing presence in the region, particularly in the Greenville-Spartanburg-Anderson area. The cluster's regional strength is derived from its highway and rail accessibility, proximity to a major airport and water port, and its central location between the larger markets such as Atlanta, GA, Raleigh-Durham, NC and Norfolk-Hampton-Newport News, VA. In addition, the region's numerous manufacturing firms also create significant demand for local warehousing facilities and transportation services.

The local fit for this cluster is not as strong as others previously discussed. However, given the strong regional demand, as well as the County's available highway and rail access, there is potential to capture some portion of future growth and expand this cluster above existing levels. From a more short-term perspective, the County's efforts to support development at the Golden Corner Commerce Park could serve to capture investment in the warehousing and distribution cluster since its location offers the best highway access for Oconee. A more long-term economic development strategy for the County includes developing water and sewer to Interstate 85 and expanding rail access at the former Propex site (now known as the Seneca Rail Site).

D. COLLABORATIVE TARGETS

In addition to the target industry clusters above, this analysis revealed the potential for Oconee County to expand economic activity in areas outside the responsibilities of the EDC. In these instances, the Consultant and local leadership recognize that the EDC should not lead these efforts, but can offer technical expertise in expanding operations in these areas. The two primary opportunities include agri-business and tourism development.

1. Agri-Business

Although not identified in the business and employment statistics analyzed for the overall cluster target industry assessment, the importance of agriculture as part of the County's local economic base has been clearly established as part of the public input process. Based on the most recent Census of Agriculture, the County had approximately 800 operating farms placing it roughly in the top quarter of counties in South Carolina.

The data collected through this effort illustrates that agricultural operations, particularly livestock, provide a notable contribution to the County's gross domestic product and serves to add diversity to the local economic base. As such, the County may want to consider exploring possibilities for providing support for these operations in several alternative activities. Typically, small farms sell their products to wholesalers for which they receive the lowest return on their investment. Therefore, any ways in which they can create value-added products would serve to increase direct revenues to individual farmers. Related to this issue is the fact that individual farms do not have the financial capability of creating

and/or maintaining processing facilities, storage facilities, such as commercial freezers, for perishable goods, and the ability to pay for shipping of processed goods to various markets for final sale.

Given these considerations, the County may want to explore options for assisting local farmers, particularly livestock operations, which are likely to have the largest potential for increasing sales revenues from their operations. The first step in such a process would most likely be to conduct a survey of existing operations to determine how much estimated demand there might be for creating centralized processing, storage and distribution facilities amongst the County's farm operations. Establishing an agricultural incubator might prove to be practical which could offer shared kitchen/processing facilities for certain types of produce, as well as business training in developing and marketing value-added products.

2. Tourism and Hospitality

Developing a tourism and hospitality target cluster in Oconee County would be part of a long-term economic strategy since existing sector employment in this grouping is relatively small at this time. However, the County has natural resources, such as lakes, rivers, waterfalls, and mountains, as well as state parks and historic sites, and is essentially positioned as South Carolina's gateway to the Chattahoochee National Forest. These natural amenities provide opportunities for water-related activities such as boating, swimming, hiking, cycling, nature and scenery viewing, and camping, to name some. The Mountain Lakes Convention & Visitors Bureau and the Oconee County Parks, Recreation & Tourism Department presently provides marketing and information services for available resources and activities in Oconee County. Therefore, local efforts to enhance state programs might be geared towards expanding event-related activities, increasing available businesses related to this cluster (such as lodging, camping, equipment sales/rentals), expanding entertainment and cultural activities that will encourage visitors to extend their stay in the area, and working with existing merchants and businesses to development marketing strategies to capture increased revenues from visitors. One immediate opportunity is to work with the National Multiple Sclerosis Society on exploring the potential to host a Bike MS event in Oconee County.

E. PRIORITY ACTIONS

The administration, EDC staff, and steering committee recognize that funding, especially in the initial stages of implementation, is critical to beginning an economic development effort. This leadership group also recognizes the reality that the availability of funds in the short-term does not allow the full strategy to be addressed immediately. Rather, implementation of the full strategy will require an incremental approach. To this end, RKG Associates and the leadership group have coordinated to identify those actions they believe are most important to initiating and sustaining an effective economic development effort. The following actions should be given the highest priority.

1. Create Formal Marketing Collateral

The Oconee County EDC has few collateral pieces to provide prospects that detail the advantages of doing business in the County. More specifically, there are no collateral pieces relating to the target industry clusters identified as part of this effort. One of the first actions the EDC should take is to work with a marketing specialist to create professional marketing materials that highlight the market climate, quality of life, incentives, and location advantages Oconee County offers.

2. Create a 501(c)(3) Implementation Body

There are several advantages to operating Oconee County's economic development efforts through a 501(c)(3) corporation. Most notably, using a non-profit entity allows the County to leverage its resources through partnerships with the private sector. Under the current setup, industries cannot financially support economic development efforts. The leadership team envisions EDC staff remaining as County employees, but operating the public private partnership non-profit corporation.

3. Establish a Business Plan

The strategic plan for economic development is an important first step in implementation. However, it is a "vision statement" for Oconee County of what economic development efforts should be pursued. The newly formed 501(c)(3) Board of Directors needs to work with the EDC staff to define focused, achievable tasks (within context of available resources) for the next year from the "menu" created in this plan to establish implementation priorities and actions. This process will determine how and when the strategic plan is realized.

4. Hire a Marketing and Research Manager

The EDC currently is staffed to implement business recruitment and retention efforts. However, the organization is missing the necessary expertise to develop and manage the marketing message. Given the funding realities for the EDC, hiring a full-time marketing and research manager is not immediately feasible. Initially, the EDC should work with a marketing consultant to establish and manage needed marketing supplies. However, the responsibilities related to the EDC's expanded outreach efforts will make outsourcing these responsibilities cost prohibitive. To the extent possible, the EDC should strive to hire a marketing and research manager within 6 to 12 months.

5. Outreach and Networking

The Oconee EDC's main mission is to attract new companies to the County and assist existing businesses to thrive and grow locally. One of the first series of actions should be for the EDC staff to outreach to all stakeholders to increase awareness of the new mission, to strengthen partnerships, to garner support from the community, and to identify new opportunities to increase jobs. There are a series of recommendations in the implementation strategy focused on increasing the EDC's proactive efforts to "spread the message."

2 INTRODUCTION

Oconee County's purpose in seeking a strategic plan for economic development is to improve the quality of life in part by building a robust and healthy economy that is both diversified and sustainable. At the base level, the County-elected body recognizes that it is essential to think and act in a coordinated, efficient manor when utilizing precious County resources to expand the local economy. More specifically, the strategic plan for economic development should provide the "road map" for the County to succeed in attracting private investment within an extremely vibrant, but competitive regional market. Simply put, Upstate region has experienced positive economic growth. However, there has not been parity in the distribution of that success. The County's administration and leadership within the Oconee County Economic Development Commission (EDC) recognize that maintaining focus in development recruitment and retention efforts ultimately will benefit the County's economic vitality and tax base.

It is important to note that simply understanding the current market climate within Oconee is not enough of a foundation for a truly effective implementation strategy. Markets do not operate in a vacuum. Demographic, economic and market shifts occurring around Oconee have an equally substantial impact on the local markets as do internal shifts. To this end, a successful implementation strategy requires a more comprehensive due diligence effort.

Oconee County, with financial support from the South Carolina Power Team, undertook this effort to revise its strategic plan with significant assistance from the private and public sectors. Through a competitive bidding process, the County selected RKG Associates, Inc. to lead the process. The resulting strategic plan for economic development details the opportunities and corresponding actions that will maximize the County's ability to leverage its resources while positioning itself to improve efficiency and effectiveness.

The report includes the following chapters:

- Chapter 1 – Executive Summary
- Chapter 2 – Introduction
- Chapter 3 – Socioeconomic Analysis
- Chapter 4 – Real Estate Analysis
- Chapter 5 – Industry Target and Cluster Analysis
- Chapter 6 – Implementation Strategy

The proposed plan incorporates short-, medium-, and long-term initiatives that will enable the County to take immediate action on certain tasks as well as take initial steps in the planning for long-term projects.

3 SOCIOECONOMIC ANALYSIS

A. INTRODUCTION

This chapter provides an overview of socioeconomic conditions in Oconee County and the region that will serve to inform other analysis presented in subsequent chapters related to the real estate market, target industries, and implementation measures. The data in this chapter includes information on population, racial and ethnic composition, households, household income, educational attainment, employment, labor force and regional commuting patterns.

Several geographic regions are used for comparison purposes when examining socioeconomic conditions and changes in Oconee County. These comparative geographies are used alternately to illustrate various data sets depending on availability of data and its relevance to the information being considered. These geographies are listed below and illustrated Map 3-1.

- Oconee-Anderson-Pickens Tri-County Area
- The Upstate Region
- Greenville-Spartanburg-Anderson Combined Statistical Area (CSA)
- State of South Carolina

Data sources for historic demographic information prior to 2010 are based on US Census enumerations. Short-term projections presented for the 5-year period of 2011-2016



were derived from ESRI, a national data analytics firm. Economic and employment data was gathered from the Census Bureau’s County Business Patterns, the US Bureau of Labor Statistics, the South Carolina Department of Employment and Workforce, and the regional Workforce Investment Board.

B. DEMOGRAPHIC TRENDS AND PROJECTIONS

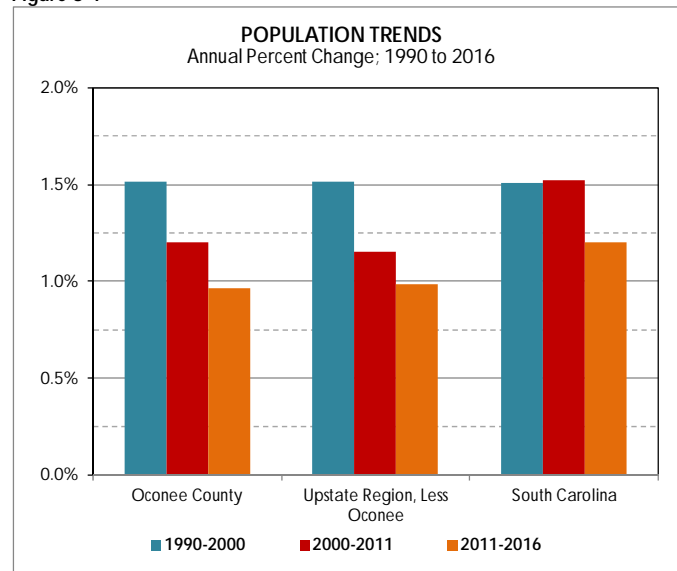
1. Population

Population growth in Oconee County over the last 20 years has been strong and relatively commensurate, from a percentage growth perspective, with the broader Upstate region (Figure 3-1 and Table 3-1). Between 1990 and 2000, the population of Oconee County increased by 15.2% (approximately 8,700 residents), which was virtually identical to the Upstate region and the State as a whole.

Over the most recent decade (2000-2010) the rate of growth slowed slightly across the Oconee region although the state’s growth accelerated from 15.1% to 16.7% respectively, for the two decades. Oconee County’s 13.2% growth rate outpaced the remaining Upstate region as a whole but only marginally by 0.5 percentage points. Still, the County added another 8,700 residents which was comparable to the previous decade. Overall, both the county and region grew at an average annual rate of about 1.2% in the 2000s versus 1.5% in the previous decade.

Short-term population projections through 2016 indicate a continued slowing in population growth across all regions, as well as the State. This forecast indicates that lagging growth, precipitated by the economic downturn towards the end of the previous decade (2010s), is expected to

Figure 3-1



Source: ESRI, US Census and RKG Associates, Inc., 2011

Table 3-1
Population Trends
1990-2016

| | 1990 | 2000 | 2011 | 2016 |
|--|-----------|-----------|-----------|-----------|
| POPULATION COUNT | | | | |
| Oconee County | 57,494 | 66,215 | 74,978 | 78,591 |
| Upstate Region, Less Oconee | 1,002,421 | 1,154,327 | 1,300,781 | 1,365,028 |
| South Carolina | 3,486,703 | 4,012,012 | 4,682,632 | 4,964,599 |
| PERCENT CHANGE IN POPULATION | | | | |
| Oconee County | -- | 15.2% | 13.2% | 4.8% |
| Upstate Region, Less Oconee | -- | 15.2% | 12.7% | 4.9% |
| South Carolina | -- | 15.1% | 16.7% | 6.0% |
| ANNUAL PERCENT CHANGE IN POPULATION | | | | |
| Oconee County | -- | 1.5% | 1.2% | 1.0% |
| Upstate Region, Less Oconee | -- | 1.5% | 1.2% | 1.0% |
| South Carolina | -- | 1.5% | 1.5% | 1.2% |

Source: ESRI, US Census and RKG Associates, Inc., 2011

persist for at least the next 3-5 years. Still, population in the Upstate region is projected to increase by 4.9%, or about 65,000 residents, and 4.8% for Oconee County (3,600 residents).

2. Population by Age

Changes in the age structure of Oconee County, the Upstate Region and the State over the past two decades are presented in Table 3-2 and Figure 3-2. As shown by the change in median age, as well as the green highlighted cells in the table, there has been a steady increase in the age of the population for all areas during this time period. With few exceptions, the primary growth cohorts for the past two decades have been the 45-65 and 65 and over. This trend is indicative of a population base of established households with older children, as well as empty-nester householders who are near-retirement and who have reached retirement age. This is not to say that there has been no growth in some younger age groups, more that they represent a diminished proportion of the total population base. Growth in younger age groups over the last decade (2000-2011) has primarily been for those 24 and under in both Oconee County and the Upstate Region. Little to no growth has occurred in the 25-44 age groups (data not shown) a trend that reflects a slowing in new household formations. This trend is expected to be moderated to some degree through 2016 with a projected increase of some 10,350 residents in this age group within the Upstate area, assuming that these younger residents are able to find employment and/or, elect to remain in the region. However, from an overall perspective, the general trend within both the County and regional population is one towards an older demographic. This could have a number of potential implications for economic development including a potential shortfall in labor force to support business growth, as well as changing demand for housing and municipal services to support older residents.

Table 3-2
 Population By Age as Percentage of Total
 1990-2016

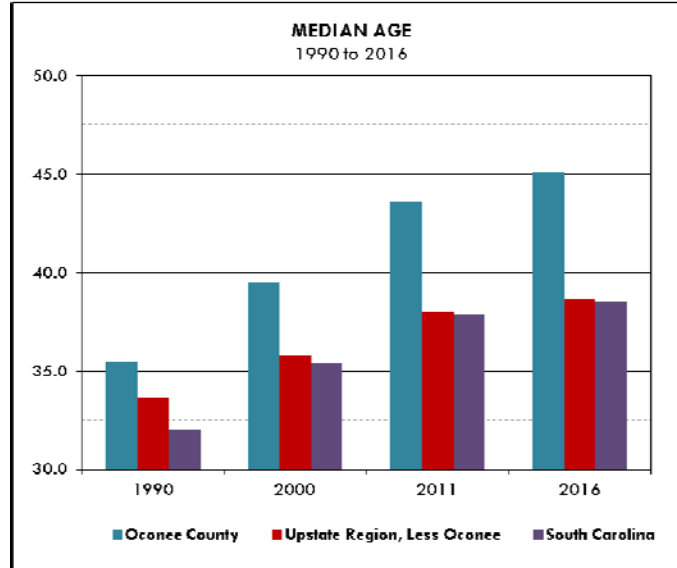
| | 1990 | 2000 | 2011 | 2016 |
|---|-------|-------|-------|-------|
| OCONEE COUNTY | | | | |
| 0 to 4 | 6.2% | 6.0% | 5.5% | 5.5% |
| 5 to 14 | 13.9% | 13.0% | 11.7% | 11.5% |
| 15 to 19 | 7.1% | 6.2% | 6.4% | 5.9% |
| 20 to 34 | 22.0% | 18.5% | 16.1% | 15.8% |
| 35 to 44 | 14.6% | 14.5% | 12.0% | 11.3% |
| 45 to 65 | 22.4% | 26.3% | 29.0% | 28.4% |
| Over 65 | 13.7% | 15.5% | 19.3% | 21.7% |
| Median Age | 35.5 | 39.5 | 43.6 | 45.1 |
| UPSTATE REGION, LESS OCONEE COUNTY | | | | |
| 0 to 4 | 6.8% | 6.6% | 6.5% | 6.5% |
| 5 to 14 | 13.6% | 14.0% | 13.1% | 13.0% |
| 15 to 19 | 7.9% | 7.1% | 7.2% | 6.7% |
| 20 to 34 | 24.0% | 21.2% | 19.3% | 19.1% |
| 35 to 44 | 15.1% | 15.5% | 13.3% | 12.7% |
| 45 to 65 | 20.0% | 23.1% | 26.7% | 26.1% |
| Over 65 | 12.7% | 12.5% | 13.9% | 15.8% |
| Median Age | 33.6 | 35.8 | 38.0 | 38.6 |
| SOUTH CAROLINA | | | | |
| 0 to 4 | 7.4% | 6.6% | 6.4% | 6.5% |
| 5 to 14 | 14.6% | 14.3% | 12.8% | 12.7% |
| 15 to 19 | 8.0% | 7.4% | 7.1% | 6.6% |
| 20 to 34 | 25.1% | 21.0% | 20.0% | 19.9% |
| 35 to 44 | 15.0% | 15.6% | 12.9% | 12.3% |
| 45 to 65 | 18.6% | 23.0% | 26.9% | 26.4% |
| Over 65 | 11.4% | 12.1% | 13.9% | 15.7% |
| Median Age | 32.0 | 35.4 | 37.9 | 38.5 |

Source: ESRI, US Census and RKG Associates, Inc., 2011

3. Racial and Ethnic Composition

Race and ethnicity are considered two separate traits by the U.S. Census Bureau. Race refers to White, Black, Asian, etc. Ethnicity refers to a person's country of origin. For example, Hispanic means people from Central America, South America, and other Hispanic or Latino countries. Both race and ethnicity are self-reported and are based upon individual preferences. Race and ethnicity are not mutually exclusive. For example, a person could be of Hispanic ethnicity and fit into any of the racial categories. Simply put, the race and ethnicity percentages do not equal 100% because a person can be both Hispanic and White.

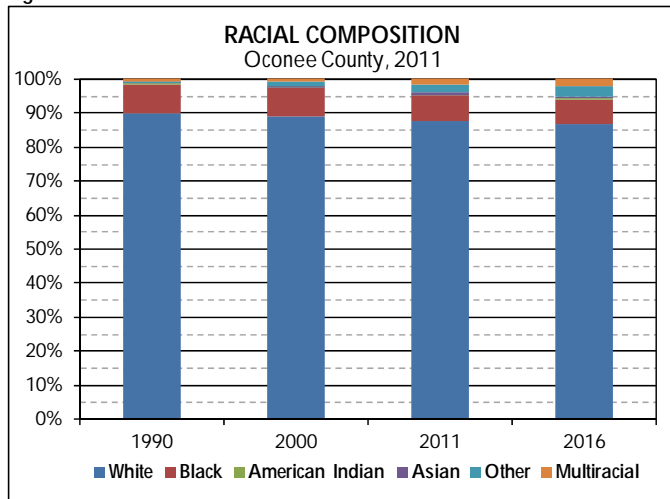
Figure 3-2



Source: ESRI, US Census and RKG Associates, Inc., 2011

The racial composition of Oconee County has been relatively stable over the past ten years (Figure 3-3). In 2000, 87% of the population was White alone, a total that remained largely unchanged through 2011 when 87.7% were reported in this category. Generally speaking, Oconee County is less racially diverse than the Upstate Region and the State where roughly three to four times as much of the population is Black. Between 2000 and 2011, there has been a modest increase in the smaller minority population of the County (i.e. those who are non-White and non-Black), as illustrated in the table. Much of this increase has occurred in the Other and Multiracial categories which means the growth does not particularly represent any concentration of specific minorities. The one exception to this is in the Asian category which has experienced notable percentage gains, particularly at the regional and state levels.

Figure 3-3



Source: ESRI, US Census and RKG Associates, Inc., 2011

The number of residents of Hispanic origin has experienced a more notable increase over the last decade, essentially doubling as a percentage of total population in the County, the Upstate Region and the state. At the county level this represents an increase of only about 2,000 residents but approximately 45,000 for the region as a whole. Projections suggest this ethnic component of the population will continue to steadily

grow through 2016.

These changes in Region's population diversity could represent potential demand for new businesses to serve the needs of these growing ethnic groups and the opportunity to train entrepreneurs to target these needs. It may also offer the potential to broaden its appeal by creating more ethnic and cultural offerings within Oconee County and throughout the Region.

4. Households

The household growth rate in Oconee County and the Upstate Region essentially mirrored the population growth rate over the last decade, (Table 3-4). Both the average annual household and population growth rates between 2000 and 2010 were 1.2% in the County, a comparable scenario for the Region. This represents approximately 3,600 additional households for the County, a notable decline from the 4,900 added during the 1990s. Similarly, the Region's net increase in households dropped from 72,600 in the 1990s to 57,600 in the last decade. For the County, these population and household growth rates combine to create an average household size that was largely unchanged from 2.4 persons per household between 2000 and 2011. This is reflective of the County's aging population which would trend towards a smaller household size. In comparison, the Region experienced a minor increase in average household size (2.49 to 2.50) over the decade while the state's experienced a considerable decrease (2.53 to 2.49).

Table 3-3
Race and Hispanic Origin
1990-2016

| | 1990 | 2000 | 2011 | 2016 |
|---|-------|-------|-------|-------|
| OCONEE COUNTY | | | | |
| White | 89.8% | 87.0% | 87.7% | 86.8% |
| Black | 8.8% | 8.2% | 7.5% | 7.3% |
| American Indian | 0.1% | 0.2% | 0.2% | 0.2% |
| Asian | 0.3% | 0.4% | 0.6% | 0.7% |
| Other | 0.3% | 1.1% | 2.4% | 3.1% |
| Multiracial | 0.7% | 0.8% | 1.6% | 1.9% |
| Hispanic Origin (Any Race) | 0.9% | 2.3% | 4.7% | 6.0% |
| UPSTATE REGION, LESS OCONEE COUNTY | | | | |
| White | 79.0% | 77.3% | 74.7% | 73.7% |
| Black | 19.4% | 19.5% | 18.9% | 18.6% |
| American Indian | 0.1% | 0.2% | 0.3% | 0.3% |
| Asian | 0.6% | 1.1% | 1.5% | 1.7% |
| Other | 0.2% | 1.1% | 2.9% | 3.9% |
| Multiracial | 0.7% | 0.8% | 1.6% | 1.9% |
| Hispanic Origin (Any Race) | 0.7% | 2.6% | 5.8% | 7.6% |
| SOUTH CAROLINA | | | | |
| White | 68.5% | 67.2% | 66.2% | 65.5% |
| Black | 29.7% | 29.5% | 27.8% | 27.4% |
| American Indian | 0.2% | 0.3% | 0.4% | 0.4% |
| Asian | 0.6% | 0.9% | 1.3% | 1.5% |
| Other | 0.3% | 1.0% | 2.5% | 3.3% |
| Multiracial | 0.6% | 1.0% | 1.7% | 1.9% |
| Hispanic Origin (Any Race) | 0.9% | 2.4% | 5.3% | 6.7% |

Source: ESRI, US Census and RKG Associates, Inc., 2011

Table 3-4
Household Trends
1990-2016

| | Trends | | | |
|--|-----------|-----------|-----------|-----------|
| | 1990 | 2000 | 2011 | 2016 |
| NUMBER OF HOUSEHOLDS | | | | |
| Oconee County | 22,358 | 27,283 | 30,970 | 32,506 |
| Upstate Region, Less Oconee | 376,317 | 448,978 | 506,586 | 532,084 |
| South Carolina | 1,258,044 | 1,533,854 | 1,824,053 | 1,943,715 |
| PERCENT CHANGE IN HOUSEHOLDS | | | | |
| Oconee County | -- | 22.0% | 13.5% | 5.0% |
| Upstate Region, Less Oconee | -- | 19.3% | 12.8% | 5.0% |
| South Carolina | -- | 21.9% | 18.9% | 6.6% |
| ANNUAL PERCENT CHANGE IN HOUSEHOLDS | | | | |
| Oconee County | -- | 2.0% | 1.2% | 1.0% |
| Upstate Region, Less Oconee | -- | 1.8% | 1.1% | 1.0% |
| South Carolina | -- | 2.0% | 1.6% | 1.3% |

Source: Census, ESRI, and RKG Associates, Inc., 2011

5. Household Income

Table 3-5 illustrates the change in household incomes between 1990 and 2016 for the County, as well as the Region and State as a whole. As shown, all areas experienced considerable increase in median household incomes from 1990-2000 with percentage growth of about 42%. At that time, Oconee County's median (\$36,533) represented about 97% of both the regional and statewide medians. Furthermore, income growth across all areas well outpaced the inflation rate of 32% for this decade.

As of 2011, median income growth rates are estimated to have decreased considerably for all areas but particularly for Oconee County. Between 2000-2011, the County's median income increased by only 5% to \$38,349, as compared to a 12% growth rate for both the Region and State. Income growth for all areas lagged well behind inflation which continued at a comparable rate of 31% for the decade. Furthermore, an examination of the income ranges illustrated in Table 3-5 shows that the percentage of households with incomes below \$25,000 remained steady over the last decade in the County but decreased in other locations. This may be a reflection of the County's age demographic with a greater proportion of senior citizens on post-retirement income levels. It may also be an indication of other special needs groups within the population.

Projections through 2016 forecast a reversal of income decline in Oconee County with the median increasing by 11% over five years. However, this will only occur if the County is able to attract higher paying jobs that are able to attract a greater percentage of younger and middle-age households to the area, as opposed to a continuation of the past decade's trends of an increase in older households with reduced income resources.

6. Education Attainment

The educational attainment of Oconee County's labor force is a significant factor in supporting efforts to expand economic development and attract new employers. Figure 3-4 illustrates the educational attainment levels of the population 25 years and older for the county, region and state as of 2011. All three locations have least 20% of the population

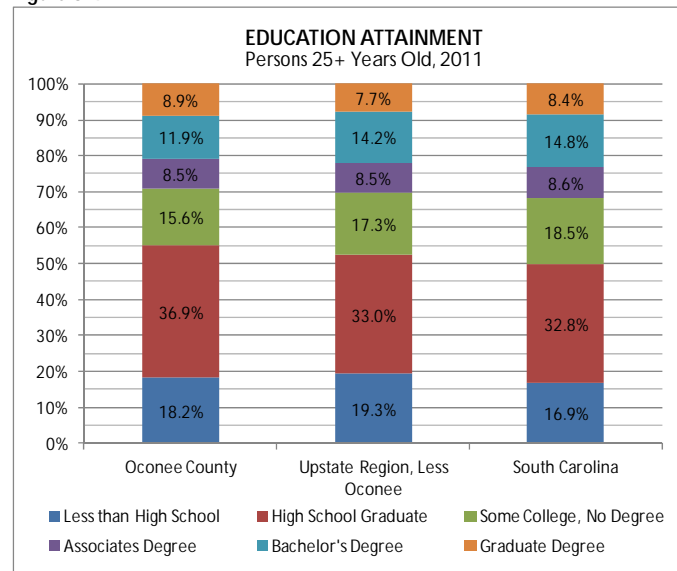
Table 3-5
Household Income as a Percentage of Total Households
1990-2016

| | 1990 | 2000 | 2011 | 2016 |
|---|----------|----------|----------|----------|
| OCONEE COUNTY | | | | |
| Under \$25,000 | 48.8% | 32.5% | 32.5% | 28.6% |
| \$25,000 to \$49,999 | 33.9% | 34.0% | 28.6% | 27.4% |
| \$50,000 to \$100,000 | 15.5% | 26.8% | 28.2% | 32.4% |
| \$100,000 to \$150,000 | 1.3% | 4.5% | 7.6% | 8.1% |
| Over \$150,000 | 0.5% | 2.2% | 3.2% | 3.4% |
| Median Income | \$25,723 | \$36,533 | \$38,349 | \$42,730 |
| Median Percent Change | — | 42% | 5% | 11% |
| UPSTATE REGION, LESS OCONEE COUNTY | | | | |
| Under \$25,000 | 46.8% | 32.6% | 29.2% | 25.4% |
| \$25,000 to \$49,999 | 35.3% | 31.8% | 27.8% | 24.5% |
| \$50,000 to \$100,000 | 15.7% | 27.4% | 29.3% | 34.8% |
| \$100,000 to \$150,000 | 1.4% | 5.5% | 9.0% | 9.9% |
| Over \$150,000 | 0.7% | 2.7% | 4.7% | 5.4% |
| Median Income | \$26,638 | \$37,522 | \$41,926 | \$50,066 |
| Median Percent Change | — | 41% | 12% | 19% |
| SOUTH CAROLINA | | | | |
| Under \$25,000 | 47.6% | 33.1% | 30.0% | 26.2% |
| \$25,000 to \$49,999 | 34.5% | 31.5% | 27.2% | 24.3% |
| \$50,000 to \$100,000 | 15.7% | 27.3% | 29.1% | 34.4% |
| \$100,000 to \$150,000 | 1.5% | 5.3% | 9.0% | 9.9% |
| Over \$150,000 | 0.8% | 2.8% | 4.7% | 5.2% |
| Median Income | \$26,256 | \$37,137 | \$41,607 | \$45,467 |
| Median Percent Change | — | 41% | 12% | 9% |

Source: ESRI, US Census and RKG Associates, Inc., 2011

with college degrees. Oconee's proportion (20.8%) is slightly less than the Region's (21.9%) and the State's (23.2%), however, the County had a greater percentage of degreed residents with higher level graduate/professional degrees, a reflection of the high tech firms located there and possibly influenced by Clemson University as well. Overall, all three areas are underperforming as compared to the nation which has an estimated 27% of its population with a college degree (data not shown). This will make it somewhat more difficult to compete with other locations in the country with regards to attracting employers that offer higher-paying, professional jobs and may be an area on which to focus future training/recruiting efforts.

Figure 3-4



Source: ESRI, US Census and RKG Associates, Inc., 2011

Residents over age 25 with Associate Degrees are generally equivalent for all areas at about 8.5% of the total. This is a bit higher than the national average estimate of 7.5% which means the County and Region are fairly well positioned to compete for skilled blue collar jobs and mid-level white collar jobs. However, the national trend in these occupation segments generally indicates a shortage of workers to fill total demand. Therefore, encouraging growth in this degree level could provide another useful opportunity area with regards to future economic development initiatives.

Finally, the County's population with high school degrees (36.9%) exceeds the Region's (33%) and the State's (32.8%), as well as the national average of 27%. This suggests that there is a good portion of the labor supply available for entry level positions to support businesses, particularly in the service sectors, which do not require specialized skills and can be trained for a variety of positions, assuming they possess the basic skill sets that most employers expect.

C. ECONOMIC BASE ANALYSIS

The economic base analysis examines changes in the labor force and business characteristics of Oconee County and also provides comparisons to relevant regional areas in an effort to understand and frame the economic opportunities for the County. This analysis includes data on employment, major employers, labor force and unemployment trends, occupational skills and commuting patterns, which will help to establish a context for evaluating the local and regional development potential.

1. Employment Trends

Table 3-6 presents private sector County Business Patterns (CBP) employment data for Oconee County between 2004 and 2010. The CPB is compiled by the US Census Bureau for all known establishments in the United States. The data includes most employment with the exception of government employees, self-employed individuals, employees of private households, and agricultural workers. The data is categorized based on the North American Industry Classification System (NAICS) which facilitates comparison over time and geographic location.

A majority of the County's private sector employment is concentrated in three sectors which include Manufacturing (24%), Retail (16%), and Health Care (14%), which accounted for over half of total employment as of 2010. Other significant concentrations are found in the Utilities and Accommodations and Food Services which each account for 8% of total employment.

Table 3-6
Private Sector Employment by Industry 2004-2010
Oconee County

| NAICS | DESCRIPTION | 2004 | 2007 | 2010 | NET CHANGE | | | PERCENT CHANGE | | |
|-------|--|--------|--------|--------|------------|---------|---------|----------------|---------|---------|
| | | | | | '04-'07 | '07-'10 | '04-'10 | '04-'07 | '07-'10 | '04-'10 |
| | ALL INDUSTRIES | 20,054 | 20,720 | 18,507 | 666 | (2,213) | (1,547) | 3.3% | -10.7% | -7.7% |
| 11 | Forestry, Fishing, Hunting, and Agriculture | 78 | 91 | 80 | 13 | (11) | 2 | 16.7% | -12.1% | 2.6% |
| 21 | Mining | 0 | 0 | 0 | 0 | 0 | 0 | 0.0% | 0.0% | 0.0% |
| 22 | Utilities | 1,898 | 1,532 | 1,505 | (366) | (27) | (393) | -19.3% | -1.8% | -20.7% |
| 23 | Construction | 1,285 | 1,728 | 948 | 443 | (780) | (337) | 34.5% | -45.1% | -26.2% |
| 31 | Manufacturing | 4,914 | 5,007 | 4,398 | 93 | (609) | (516) | 1.9% | -12.2% | -10.5% |
| 42 | Wholesale Trade | 529 | 523 | 337 | (6) | (186) | (192) | -1.1% | -35.6% | -36.3% |
| 44 | Retail Trade | 3,149 | 3,065 | 2,916 | (84) | (149) | (233) | -2.7% | -4.9% | -7.4% |
| 48 | Transportation and Warehousing | 210 | 263 | 119 | 53 | (144) | (91) | 25.2% | -54.8% | -43.3% |
| 51 | Information | 250 | 422 | 214 | 172 | (208) | (36) | 68.8% | -49.3% | -14.4% |
| 52 | Finance and Insurance | 432 | 480 | 507 | 48 | 27 | 75 | 11.1% | 5.6% | 17.4% |
| 53 | Real Estate and Rental and Leasing | 192 | 239 | 173 | 47 | (66) | (19) | 24.5% | -27.6% | -9.9% |
| 54 | Professional, Scientific, and Technical Services | 468 | 608 | 470 | 140 | (138) | 2 | 29.9% | -22.7% | 0.4% |
| 55 | Management of Companies and Enterprises | 13 | 15 | 88 | 2 | 73 | 75 | 15.4% | 486.7% | 576.9% |
| 56 | Administrative and Support and Waste Management | 994 | 715 | 1,092 | (279) | 377 | 98 | -28.1% | 52.7% | 9.9% |
| 61 | Educational Services | 157 | 140 | 129 | (17) | (11) | (28) | -10.8% | -7.9% | -17.8% |
| 62 | Health Care and Social Assistance | 2,529 | 2,831 | 2,627 | 302 | (204) | 98 | 11.9% | -7.2% | 3.9% |
| 71 | Arts, Entertainment, and Recreation | 118 | 246 | 180 | 128 | (66) | 62 | 108.5% | -26.8% | 52.5% |
| 72 | Accommodation and Food Services | 1,714 | 1,680 | 1,553 | (34) | (127) | (161) | -2.0% | -7.6% | -9.4% |
| 81 | Other Services (except Public Administration) | 1,117 | 1,133 | 1,167 | 16 | 34 | 50 | 1.4% | 3.0% | 4.5% |
| 99 | Unclassified | 7 | 2 | 4 | (5) | 2 | (3) | -71.4% | 100.0% | -42.9% |

Source: County Business Patterns 2011

The table's data is divided into two time periods, 2004-07 and 2007-10, which illustrate changes in employment pre-recession, as well as through the ongoing recovery period. As shown, the County was experiencing moderate employment growth of 3.3% prior to the recession and had added over 600 jobs since 2004. However, after 2007 total employment losses of about 2,200 were incurred resulting in a net loss of approximately 1,500 jobs through the overall time period, a decrease of 7.7%.

The County's employment losses were spread across almost all sectors with only a few exceptions. Prior to the recession, notable gains had occurred in Construction (443), Information (172), Professional Services (140), Health Care (302), and

Arts/Entertainment/Recreation (128). However, between 2007-10 almost all of these gains were reversed and the only growth sector was Administrative Services which added 377 jobs most likely reflecting hiring through temporary employment agencies which often expand during such economic conditions.

Of note is the fact that several sectors contracted during both time period including Utilities, Retail, and Accommodations/Food Services. The first two represent significant employment sectors in the regional economy that, based on national trends, have a strong probability of experiencing future reductions in employment. Therefore, economic development efforts should consider stabilizing these sectors to the extent possible and also adding more diversity to the industry base that can capture employees who may be shed from these, as well as the Manufacturing sector, which may continue to transition from traditional industries to more advanced fields.

2. Major Employers

Table 3-7 lists Oconee County's largest employers and identifies their product or service provided. These 16 businesses employ an estimated 9,600 workers which represents approximately 40%-50% of total county employment. Four of these employers are public sector or governmental entities which account for about one-third of total jobs reported in the table.

Aside from the public sector establishments, this listing highlights the fact that the county is home to a number of high-tech and advanced manufacturing firms, a number of which are internationally based.

Table 3-7
 Major Employers - 2010
 Oconee County

| Company | Employees | Product/Service |
|-------------------------------|-----------|---------------------------------------|
| Oconee County School District | 1605 | Education |
| Duke Energy Corp. | 1500 | Energy |
| Oconee Memorial Hospital | 1370 | Health Care |
| Itron, Inc. | 665 | Electronic measuring devices |
| Schneider Electric* | 655 | Motor control centers |
| Koyo Bearings USA, LLC* | 640 | Thrust Bearings |
| Oconee County Government | 450 | Local Government |
| Covidien* | 423 | Anti-embolism stockings |
| BASF Catalysts, LLC* | 389 | Precious metal catalyst |
| Sandvik* | 347 | Cutting tools |
| US Engine Valve Company* | 309 | Engine valves |
| State of South Carolina | 286 | State Government |
| Johnson Controls, Inc. | 282 | Plastic components for auto batteries |
| Borg Warner Automotive, Inc. | 235 | Transfer cases |
| Greenfield Industries | 285 | Twist drills |
| Lift Technologies, Inc.* | 194 | Fork lift masts |

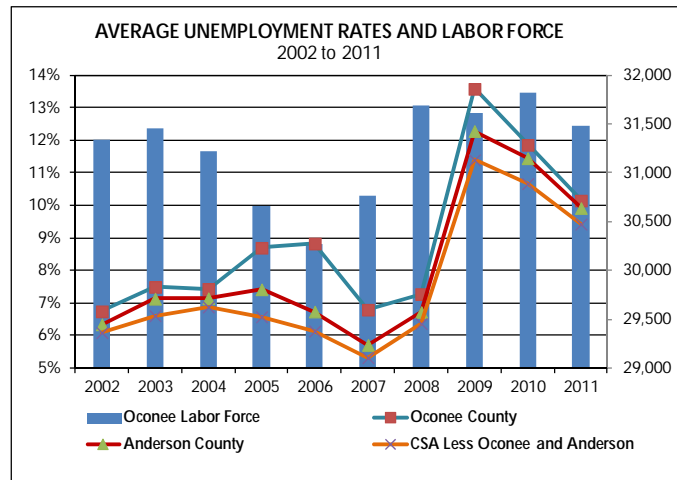
*International Companies
 Source: Oconee County EDC

This data reveals Oconee County is susceptible to disproportionate economic impacts from any of these entities leaving the County. The potential impact is evident with the recent announcement from Covidien on the phased closing of its operations in Oconee County over the next three years. Regardless the results, the fact that Oconee has a few large employers that control much of the job base, implementing a comprehensive, aggressive business retention and expansion program is essential.

3. Labor Force and Unemployment Trends

The civilian labor force and unemployment rate are measures of the size of a region's active, resident worker base, as well as their current employment status. The civilian labor force includes workers who are currently employed, unemployed, or actively looking for work.

In Oconee County, labor force size has remained relatively stable over the past decade (2002-2011) despite some minor mid-decade losses. As illustrated in Figure 3-5, the County's labor force size has ranged between 30,000 and 32,000 during this time period and overall experienced a net loss of just 133, a 0.4% decrease. In comparison, neighboring Anderson County's labor force, which is more than twice the size of Oconee's, grew by about 2,500 (3.1%) during the same time period. The fact that the County's population increased by approximately 8,700 residents over roughly the same time period is an indication that its labor force participation rate has decreased over the decade. This may be attributable to at least two primary factors. One, is that a large portion of the population gain were residents of retirement age who are no longer active in the workforce, or who may only be working part-time positions. The second, which is not an unusual occurrence given the length of the recession period, is that unemployed workers have stopped looking for a job and as such, are no longer included in the labor force totals. In either event, the generally stagnant nature of the County's labor force size is an issue that should be addressed as part of the overall economic development strategy in order to remain competitive in attracting new businesses to the area. Examining possible approaches for retraining of disenfranchised workers could also help to increase labor force participation rates for the County.



Source: BLS and RKG Associates, Inc., 2011

Figure 3-5 also presents a comparison of the unemployment rates for Oconee and Anderson Counties, as well as the greater CSA region, over the past decade. As shown, unemployment rates have increased for all areas through the decade due to impacts of the economic downturn beginning around 2008. Overall, Oconee County's rate tends to track somewhat higher than the other areas, which is not unusual given its smaller economic base. However, there has also been more volatility in Oconee's rate as illustrated by the jumps in 2005/06 when Anderson's and the CSA's rates were declining. This may have been related to significant closure or layoff since labor force levels also decreased at that time. Efforts to further diversify the economic base could help to reduce employment volatility and moderate changes in unemployment rates.

4. Occupational Skill Levels

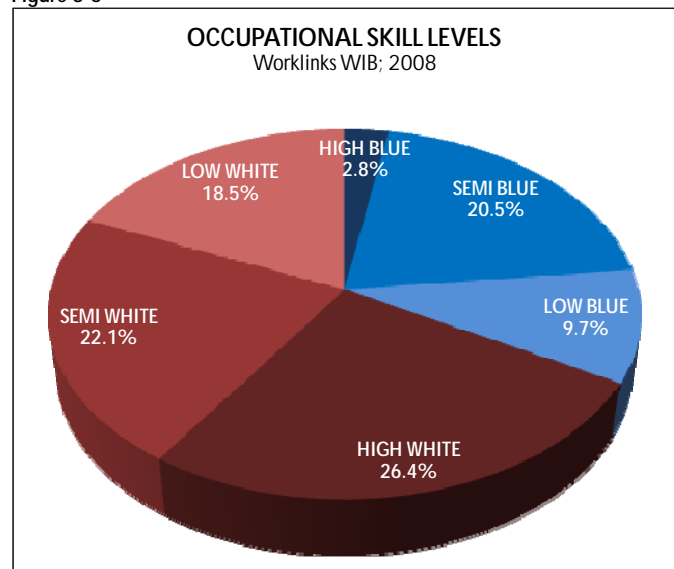
Detailed occupational data for Oconee County is available only at the multi-county level referred to as Workforce Investment Board (WIB) region. Oconee County is part of the Worklink WIB which also includes Anderson and Pickens Counties. The most recent occupational data for 2008 was obtained from the South Carolina Department of Employment and Workforce (DEW) and categorized by job type and skill level (Figure 3-6). These groupings were derived from the consultant's knowledge regarding the skill and

educational requirements of general occupational categories. Although it is difficult to group occupational categories in this manner with great precision, the results provide some indication of the distribution and diversity of skills available within the labor force. The occupational categories and their descriptions are as follows:

- Highly-Skilled White Collar (HSWC) – a professional position requiring a college degree, with supervisory/ management responsibility or specialized training while working within a white-collar work environment.
- Highly-Skilled Blue Collar (HSBC) – a trade or non-professional position requiring less than an advanced degree, but some post secondary education, a certificate, or specialized training or skill while working within a white collar work environment.
- Semi-Skilled White Collar (SSWC) – a professional position requiring less than an advanced degree, but some post secondary education, a certificate, or specialized training or skill while working within a white collar work environment.
- Semi-Skilled Blue Collar (SSBC) – a trade position requiring less than an advanced or trade school degree but requiring some specialized training or skill, while working within a blue collar environment.
- Low-Skilled White Collar (LSWC) – a position within a white collar work environment requiring no degree or formal schooling beyond high school, but requiring some on-the-job training.
- Low-Skilled Blue Collar (LSBC) – a position within a trade profession requiring no advanced degree or formal schooling, but requiring some on-the-job training.

The occupation data summarized in Figure 3-6 is regional and not Oconee County specific. The data indicates that at the regional level there is a diversity of skills within several categories including high-skilled and semi-skilled, white-collar workers, as well as semi-skilled, blue collar workers. This data will inform the

Figure 3-6



Source: South Carolina DEW and RKG Associates, Inc., 2011

target industry analysis of this report and help determine what type of industries would be interested in the skills of the workers in Oconee County and the broader region.

5. Regional Commuting Patterns

Understanding commuting patterns can provide useful insight into evaluating potential actions in developing an economic development strategy. Commuting patterns highlight the flow of workers into, and out of, a given labor market area and as such, can help to indicate where there may be potential to capture additional jobs that are “leaking” from the local economic base.

Table 3-8 illustrates 2010 commuting patterns for residents of Oconee County, as well as, for workers employed within the county who reside elsewhere. As shown, there are an equivalent number of residents who both live and work in the county (12,555) and who live in the county but work elsewhere (12,738), based on this data. In contrast, there were only 8,255 workers who commuted to Oconee County for employment who lived in other locations. This suggests that the county is a net exporter of labor with a differential of 4,483 workers. Particular counties in South Carolina where Oconee is a net exporter of labor includes Pickens, Greenville, Spartanburg, Richland and Anderson. A more detailed examination of the occupational characteristics of these workers could reveal areas where further targeted business recruitment by the County might be beneficial.

Table 3-8
 Commuting Patterns - 2010

| Oconee County | | | |
|---|--------------|----------------|----------------|
| Oconee County Residents Working in Oconee County | | | 12,555 |
| Non-Oconee County Residents Working in Oconee County | | | 8,255 |
| Total Workers(1) | | | 20,810 |
| Oconee County Residents Working Outside Oconee County | | | |
| County Commuting | Commuting to | Commuting from | Net |
| To/From: | Oconee | Oconee County | Inflow/Outflow |
| Pickens | 1,923 | 2,983 | -1,060 |
| Anderson | 1,647 | 1,943 | -296 |
| Greenville | 868 | 3,157 | -2,289 |
| Aiken | 213 | 106 | 107 |
| Spartanburg | 405 | 630 | -225 |
| Richland | 213 | 765 | -552 |
| Other | 2,986 | 3,154 | -168 |
| Total Commuters | 8,255 | 12,738 | -4,483 |

(1) Total workers based on commuting data

Source: US Census Bureau, Longitudinal Employer-Household Dynamics Program

D. IMPLICATIONS

Population changes for Oconee County indicate that the rate of historical population growth has slowed in comparison to previous decades and is projected to slow even further over the next five years. In addition, like much of the country, Oconee’s demographic characteristics point to an aging of the population with a smaller percentage of future residents anticipated under 45 years of age. These trends will have implications on the demand for housing, the need for municipal services, and the levels of household income. They also affect labor availability in that there could be a diminishing supply of workers of suitable age to support business recruitment and fill potential jobs supported through economic development activities. Labor force data indicates that the county may already be experiencing a decrease in its workforce participation rate due to the changing population dynamics.

Household income levels have not kept pace with inflation in the county and the region which means that the cost of goods and services will place an ever-greater demand on available financial resources. As discussed in the real estate chapter of this report, housing cost do apparently consume a high percentage of household income in the county which is a potential economic development issue and suggests that the county will need to focus efforts on promoting affordable, workforce housing, as well as, attracting higher paying jobs.

Educational attainment levels within the county are good overall and should help support economic development activities. Consideration should be given to expanding graduates with Associates Degrees and other technical training to build on the county's existing strength and position it for anticipated job growth in more highly-skilled occupations.

Overall, employment levels were down about 7% for the decade in the county with losses incurred across almost all sectors. Approximately 54% of total county employment is concentrated in the Manufacturing, Retail, and Health Care sectors. Although Health Care is generally expected to be a growth sector in the future, employment expansion in the other two sectors is more tenuous. The Utilities and Accommodations & Food Services sectors are also significant employers within the county. Efforts to stabilize these sectors will be an important component of an economic development strategy, as will actions to help further diversify the county's employment base.

Finally, commuting patterns of Oconee County's labor force within the region suggests that the county may be losing jobs to other locations based on the net flow of workers into, and out of, the county. Further examination the skills and jobs associated with these workers who are commuting out of the county for employment could help to identify additional economic opportunities for business development in Oconee.

4 REAL ESTATE MARKET ANALYSIS

A. INTRODUCTION

This chapter examines recent real estate trends within the county, as well as the adjoining region, with a focus on residential, office, and industrial market forces that are shaping Oconee County’s development environment. The analysis includes factors such as existing inventory of buildings, development trends over the past decade, vacancy and absorption rates, and sales values/lease rates. In addition, RKG Associates conducted a number of interviews with local development and real estate professionals in order to understand the nuances of the market and to gain an “in-the-field” perspective on the potential demand and speculative investment climate.

B. RESIDENTIAL ANALYSIS

Analysis of residential market conditions was based on a review of the County’s assessment database, Census Bureau estimates, as well as inventories of for-sale and for-lease properties maintained by both public and private sources. These sources were used to evaluate development trends within the County as well as a comparative assessment of competing properties located elsewhere in the regional marketplace which, for this analysis, includes Anderson and Pickens Counties.

1. Residential Housing Supply

Table 4-1 presents a summary of the change in the total regional housing supply between 2000 and 2010, based on decennial census counts. As the data shows, Oconee’s 2010 total housing estimate of 38,760 represented the smallest portion of the regional supply with Anderson and Pickens having total units of 84,770 and 51,240, respectively. However, over the course of the decade Oconee experienced the largest increase in total housing production, from a percentage standpoint, with a growth rate of

Table 4-1
 Housing Units and Tenure 2000-2010

| | Oconee | | Anderson | | Pickens | |
|-------------------------|--------|--------|----------|--------|---------|--------|
| | 2000 | 2010 | 2000 | 2010 | 2000 | 2010 |
| Total housing units | 32,383 | 38,763 | 73,213 | 84,774 | 46,000 | 51,244 |
| Occupied housing units | 27,283 | 30,676 | 65,649 | 73,829 | 41,306 | 45,228 |
| Owner occupied | 21,391 | 23,042 | 50,068 | 53,015 | 30,350 | 31,161 |
| Renter occupied | 5,892 | 7,634 | 15,581 | 20,814 | 10,956 | 14,067 |
| Owner occupied % | 78% | 75% | 76% | 72% | 73% | 69% |
| Renter occupied % | 22% | 25% | 24% | 28% | 27% | 31% |
| Vacant housing units | 5,100 | 8,087 | 7,564 | 10,945 | 4,694 | 6,016 |
| Change 2000-2010 | | | | | | |
| Total housing units | 6,380 | 20% | 11,561 | 16% | 5,244 | 11% |
| Occupied housing units | 3,393 | 12% | 8,180 | 12% | 3,922 | 9% |
| Owner occupied | 1,651 | 8% | 2,947 | 6% | 811 | 3% |
| Renter occupied | 1,742 | 30% | 5,233 | 34% | 3,111 | 28% |
| Vacant housing units | 2,987 | 59% | 3,381 | 45% | 1,322 | 28% |

Source: US Census

20%, in comparison to 16% and 11% respectively, for Anderson and Pickens. Overall, Anderson absorbed the largest number of units (11,560) followed by Oconee which added 6,380 housing units over ten years. This represents an annual absorption of approximately 640 units throughout the decade.

From a tenure perspective, the data indicates that owner units, as a percentage of total occupied housing, have declined over the past decade for all three counties. Oconee's percentage of owner units declined by three percentage points from 78% to 75% with similar changes in Anderson and Pickens Counties. This may be a reflection of the decade's ending, housing market decline that saw a notable shift away from home buying to renting in many parts of the country due to waning consumer confidence and unfavorable lending conditions. However, in Oconee County this shift towards rental preferences is also likely related to aging demographic conditions where seniors are seeking housing options other than ownership, particularly if condominium alternatives are not prevalent in the marketplace. Additionally, there have been some housing developments marketed to the Clemson University student body that have increased rental options on the eastern edge of Oconee County.

The number of vacant housing units increased considerably for all counties between 2000 and 2010. As shown earlier, Oconee's vacant housing increased by 59%, an additional 3,000 units, while Anderson and Pickens Counties' inventories increased by 45% and 28%, respectively. However, a more detailed perspective on vacancy is presented in Table 4-2 for 2010. This data shows that the for-rent/for-sale vacancy rate was reported as 5.2% in

Table 4-2
 Vacant Housing Units by Type 2010

| | Oconee | % Total | Anderson | % Total | Pickens | % Total |
|---|--------|---------|----------|---------|---------|---------|
| Vacant housing units | 8,087 | 100% | 10,945 | 100% | 6,016 | 100% |
| For rent | 1,271 | 16% | 2,920 | 27% | 1,609 | 27% |
| For sale only | 748 | 9% | 1,700 | 16% | 783 | 13% |
| Sold, not occupied | 173 | 2% | 402 | 4% | 301 | 5% |
| Rented, not occupied | 54 | 1% | 111 | 1% | 126 | 2% |
| For seasonal, recreational, or occasional use | 3,927 | 49% | 2,066 | 19% | 1,355 | 23% |
| For migratory workers | 8 | 0% | 2 | 0% | 8 | 0% |
| Other vacant | 1,906 | 24% | 3,744 | 34% | 1,834 | 30% |
| Vacancy Rate | | | | | | |
| For-Rent/For-Sale | 2,019 | 5.2% | 4,620 | 5.4% | 2,392 | 4.7% |
| Including "Other Vacant" | 3,925 | 10.1% | 8,364 | 9.9% | 4,226 | 8.2% |

Source: US Census

Oconee County with comparable rates in the region. These vacancy rates are considered to be representative of healthy housing market. If, however, the "Other Vacant" supply of housing is included it increases the vacancy rate to about 10% in Oconee. The Census does not provide any informative detail on the status of housing in this Other category. If they reflect abandoned, or otherwise unavailable housing units that are not market-ready, then they should not be included in the overall vacancy rate. However, if they include, as in other market areas, foreclosure properties that lending institutions have not made available for-rent or for-sale, then they may reflect an excess supply of units in the market. A precise number of foreclosed or bank-owned properties is not readily available for the county. However, a review of assessment records and on-line sources seems to indicate that the number is not that large, possibly between 50 and 100 residential properties as an estimate. Therefore, a conclusive determination regarding the status of housing in the Other Vacant category cannot be made from available information. A best assumption is that, given the large number of seasonal dwellings in the county, a sizable portion of these vacant units may also be held aside for similar usage.

Finally, Table 4-3 shows the Census estimate of housing units by building type and tenure for Oconee County. Overall, single family detached dwellings account for the largest percentage of occupied housing in the county at 79% with mobile homes representing the next largest proportion at 19%. Attached single family homes and other condominium-style units play a relatively small role in the owner market representing just 1% of occupied units (Note: assessment records indicate a total of 721 condominiums in the county indicating that some 340 are included in the single family detached category). These estimates also indicate that single family homes play a significant role in supporting renter-occupied housing as well, accounting for 42% of the County's rental supply. (Note: Anderson County had 40%, and Pickens County 27%, in this category). Mobile homes also play a major role representing 24% of total rentals. The County's supply of duplex units (427) are reportedly used entirely for the rental market indicating this type of product is not generally viewed as an alternative, lower cost entry into the ownership market.

Table 4-3
 Tenure by Units in Structure 2010
 Oconee County

| | Owner-Occupied | | Renter-Occupied | |
|---------------------|----------------|---------|-----------------|---------|
| | Units | % Total | Units | % Total |
| Occupied Units | 23,000 | 100.0% | 6,910 | 100.0% |
| 1, detached | 18,201 | 79.1% | 2,903 | 42.0% |
| 1, attached | 231 | 1.0% | 113 | 1.6% |
| 2 | 0 | 0.0% | 487 | 7.0% |
| 3 or 4 | 9 | 0.0% | 396 | 5.7% |
| 5 to 9 | 7 | 0.0% | 657 | 9.5% |
| Subtotal 3 to 10 | 16 | 0.1% | 1,053 | 15.2% |
| 10 to 19 | 21 | 0.1% | 226 | 3.3% |
| 20 to 49 | 28 | 0.1% | 285 | 4.1% |
| 50 or more | 0 | 0.0% | 86 | 1.2% |
| Subtotal 10 or more | 49 | 0.2% | 597 | 8.6% |
| Mobile home | 4,383 | 19.1% | 1,705 | 24.7% |
| Boat, RV, van, etc. | 120 | 0.5% | 52 | 0.8% |

Source: US Census ACS 2006-2010 estimate

The high percentage of single family units included in the regional rental pool could be related to a weakened for-sale market or other factors that limit sales potential (e.g. substandard conditions or poor location). It may also be a reflection of the County's seasonal housing supply being placed into the rental pool for portions of the year when not in use by the owner. However, it may also suggest that there is an insufficient supply of rental housing in the market to support demand. Estimates for the Greenville CSA, which includes most of the Upstate Region, show that only 35% of the detached single family supply is used as rental housing suggesting that the Oconee area has a shortage of rental units. However, the CSA also has a higher percentage of renter-occupied units (30%) than the Oconee area given the more urbanized nature of land uses located in other parts of the region.

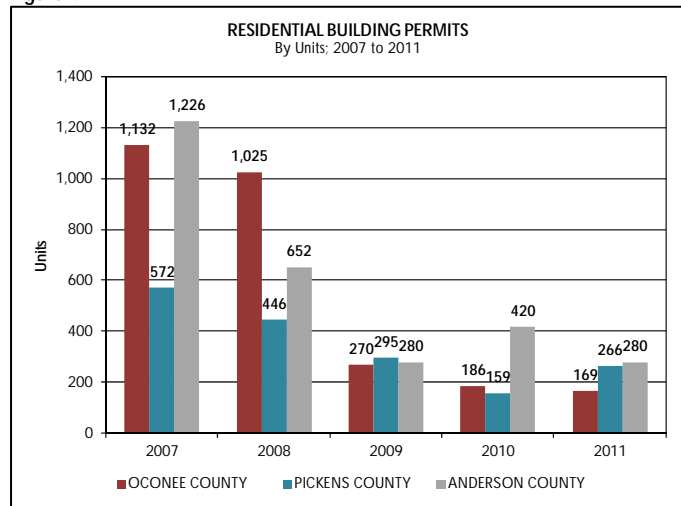
2. Residential Market Trends

Recent housing absorption trends in the tri-county area are illustrated in Figure 4-1 which depicts building permits issued between 2007 and 2010 for Oconee, Anderson, and Pickens Counties. The figure clearly shows that as the recession began, total housing production dropped off precipitously in all three counties such that total permits issued by 2011 were approximately one-third the levels occurring in 2007. Table 4-4 provides a more detailed breakdown of permits issued by type showing that more than 20% of Oconee County's permits were for multifamily units, a percentage that well exceeded the rest of the region. The majority of these units were permitted in 2007/08 with few recorded after those years.

This suggests that demand was evident for additional rental housing in the county prior to being curtailed by the economic downturn.

The most recent estimates from the Census Bureau of occupancy levels would suggest that demand for rental housing continues to remain weak in the regional market area. As shown in Table 4-5, estimates of renter vacancy rates in Oconee County as of 2011 was 7.9% and even higher in Anderson (8.3%) and Pickens (11%) Counties. Although there is a margin of error associated with these estimates that could alter the actual number between two to four percentage points, the uniformly high vacancy rates across the region would seem to indicate that demand is not yet rebounding. This would suggest that the need for new apartment construction is not immediate. It also indicates that as employment levels continue to return towards historic levels there will be available capacity in the rental housing inventory to absorb any immediate increases in demand. However, the large proportion of single family homes in the rental pool may be obscuring the need for apartment construction and also resulting in higher housing costs for renters, as noted below. There could be additional demand for newer, well-appointed units if economic development efforts are able to attract professional and higher income jobs to the county.

Figure 4-1



Source: U.S. Census

Table 4-4
Residential Building Permits 2007-2011

| Type | Year | | | | | | | | | | 5-Year Total | |
|------------------------|--------------|--------------|------------|--------------|------------|------------|------------|------------|------------|------------|--------------|-------------|
| | 2007 | | 2008 | | 2009 | | 2010 | | 2011 | | | |
| | Buildings | Units | Buildings | Units | Buildings | Units | Buildings | Units | Buildings | Units | Units | % Total |
| OCONEE COUNTY | | | | | | | | | | | | |
| Single Family | 975 | 975 | 642 | 642 | 255 | 255 | 186 | 186 | 143 | 143 | 2,201 | 79% |
| Two Family | 0 | 0 | 8 | 16 | 1 | 2 | 0 | 0 | 0 | 0 | 18 | 1% |
| Three and Four Family | 5 | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20 | 1% |
| Five or More Family | 9 | 137 | 31 | 367 | 1 | 13 | 0 | 0 | 2 | 26 | 543 | 20% |
| Total | 989 | 1,132 | 681 | 1,025 | 257 | 270 | 186 | 186 | 145 | 169 | 2,782 | 100% |
| PICKENS COUNTY | | | | | | | | | | | | |
| Single Family | 544 | 544 | 404 | 404 | 295 | 295 | 159 | 159 | 244 | 244 | 1,646 | 95% |
| Two Family | 0 | 0 | 1 | 2 | 0 | 0 | 0 | 0 | 1 | 2 | 4 | 0% |
| Three and Four Family | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0% |
| Five or More Family | 3 | 28 | 1 | 40 | 0 | 0 | 0 | 0 | 1 | 20 | 88 | 5% |
| Total | 547 | 572 | 406 | 446 | 295 | 295 | 159 | 159 | 246 | 266 | 1,738 | 100% |
| ANDERSON COUNTY | | | | | | | | | | | | |
| Single Family | 1,156 | 1,156 | 561 | 561 | 280 | 280 | 284 | 284 | 268 | 268 | 2,549 | 89% |
| Two Family | 9 | 18 | 16 | 32 | 0 | 0 | 0 | 0 | 6 | 12 | 62 | 2% |
| Three and Four Family | 2 | 8 | 5 | 15 | 0 | 0 | 0 | 0 | 0 | 0 | 23 | 1% |
| Five or More Family | 7 | 44 | 6 | 44 | 0 | 0 | 6 | 136 | 0 | 0 | 224 | 8% |
| Total | 1,174 | 1,226 | 588 | 652 | 280 | 280 | 290 | 420 | 274 | 280 | 2,858 | 100% |

Source: U.S. Census Bureau and RKG Associates, Inc., 2012

Rental housing costs in the region have risen between 40%-50% over the past decade as illustrated by changes in the median rents in Table 4-5. Median rents in Oconee County are

estimated to have risen the most rapidly increasing by 51% between 2000 and 2011, well outpacing the inflation rate of 31% for that time period. However, despite this more rapid increase the County's 2011 median (\$642) is now only equivalent to Anderson County's (\$643) and below the median in Pickens County (\$677).

Another indication that housing cost increases are exceeding income growth is reflected by the number of households paying in excess of 30% of their incomes for rent. Oconee County households are estimated to be less burdened than the other two counties but still have approximately 50% of rental households that are at or above this threshold. In addition, another 14% of households are paying between 25%-29% of incomes towards rent which means they could soon exceed the 30% burden of housing costs if income growth continues to lag behind inflation increases.

Table 4-5
 Rental Housing Costs and Vacancy Rates
 Greater Oconee Region 2000 & 2011

| | Oconee | Anderson | Pickens |
|---|--------|-------------------|---------|
| Vacancy Rate 2011 | | | |
| Owner | 4.8% | 3.4% | 2.6% |
| Renter | 7.9% | 8.3% | 11.0% |
| Median Gross Rent | | | |
| 2000 | \$424 | \$454 | \$479 |
| 2011 | \$642 | \$643 | \$677 |
| % Change | 51% | 42% | 41% |
| Gross Rent as Percent of Hsehold Income 2011 | | | |
| % Income | | Households | |
| Less than 24% | 2,270 | 6,435 | 3,586 |
| 25 to 29% | 822 | 1,728 | 1,045 |
| 30% or more | 2,931 | 10,130 | 6,730 |
| Percentage of Total Households | | | |
| Less than 24% | 38% | 35% | 32% |
| 25 to 29% | 14% | 9% | 9% |
| 30% or more | 49% | 55% | 59% |

Source: US Census ACS 2009-2011 estimate

a.) Residential Property Valuation

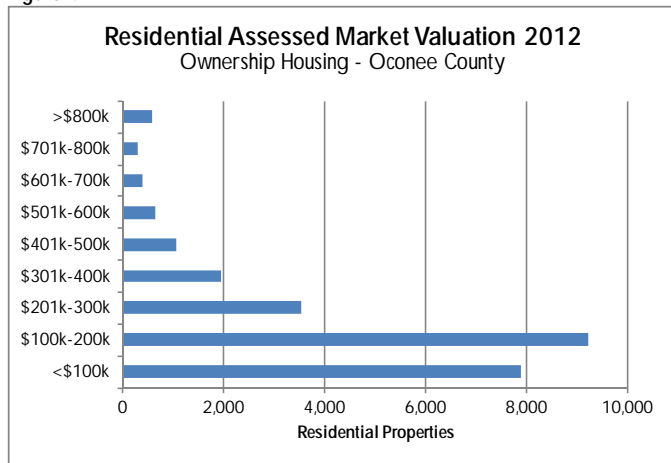
This section presents an overview of residential property valuation in Oconee County based on a review of the County's assessment records as of 2012. Table 4-6 and Figure 4-2 summarize the number of residential properties (primarily ownership units) based on the market values recorded in the assessment database. As shown, the County's ownership housing supply is predominantly comprised of properties under \$300,000 (about 80%) with 67% of the included properties valued at under \$200,000. This means that approximately 17,100 of the 25,500 properties are valued below the \$200k level which would seem to indicate a relatively high level of affordability for housing ownership within the county. However, when values are compared to median income

Table 4-6
 Residential Assessed Market Valuation 2012
 Oconee County

| | Residential Properties | | | | Total | % Total |
|--------------|------------------------|------------|---------------|------------|---------------|---------|
| | Single Family* | Condo | Farm Dwelling | Duplex | | |
| <\$100k | 7,414 | 151 | 217 | 115 | 7,897 | 31% |
| \$100k-200k | 7,737 | 524 | 913 | 43 | 9,217 | 36% |
| \$201k-300k | 2,808 | 22 | 706 | 5 | 3,541 | 14% |
| \$301k-400k | 1,610 | 13 | 325 | 4 | 1,952 | 8% |
| \$401k-500k | 919 | 5 | 136 | 0 | 1,060 | 4% |
| \$501k-600k | 565 | 1 | 66 | 4 | 636 | 2% |
| \$601k-700k | 374 | 0 | 34 | 0 | 408 | 2% |
| \$701k-800k | 279 | 1 | 17 | 0 | 297 | 1% |
| >\$800k | 524 | 4 | 45 | 0 | 573 | 2% |
| Total | 22,230 | 721 | 2,459 | 171 | 25,581 | |

*Excluding mobile homes
 Source: Oconee County Assessor's Office and RKG Associates

Figure 4-2



levels it suggests this may not be the case.

Table 4-7 presents some estimated affordability levels for home buying in the county based on median household income and typical mortgage payments for 30-year financing terms. Based on these parameters, households with incomes between 80% and 120% of the county median could reasonably afford to purchase homes between \$60,000 and \$90,000, assuming a maximum payment representing 30% of household income. This suggests that only 31% of the residential properties represented in Table 4-6 would be affordable for households in this income range. This data also indicates that, as noted in the preceding section, a significant portion of county residents are paying excessively high proportions of their income for housing. This also helps to explain why mobile homes, which have an average market value of about \$13,000 (data not shown) represent a significant portion (approximately 20%) of the county's housing stock since they offer an affordable option within the home ownership market. Newer mobile homes built after 2007 have higher average values of \$35,000 to \$42,000 but still represent a very affordable component of the County's housing stock.

Table 4-7
 Estimated Housing Affordability Threshold
 Oconee County

| Household Income 2011 | | |
|--------------------------------|----------|----------|
| 80% | Median | 120% |
| \$30,679 | \$38,349 | \$46,019 |
| Housing Costs at 30% of Income | | |
| Max Monthly Payment* | | |
| 80% | Median | 120% |
| \$767 | \$959 | \$1,150 |
| Max Purchase Price* | | |
| 80% | Median | 120% |
| \$60,000 | \$75,000 | \$90,000 |

*Based on 30-year fixed mortgage at 4%, including county/city taxes & insurance
 Source: RKG Associates

Newer housing construction after 2000 in the county does indicate increasing values are evident. As shown in Table 4-8, the median value of all single family homes (excluding farm homes and mobile homes) was \$135,865 with a comparable value for condominium properties (\$135,390). However, over the past decade single family home values have experienced 5-year incremental increases (2001-05 and 2005-present) of 19% and 23% such that the median assessed market value for homes built after 2005 was \$294,260. Increases in condominium values were comparable but more erratic with incremental gains of 9.6% and 53% over the decade resulting in a median value of \$194,000 for the most recently constructed units. A large percentage of the condominiums built after 2005 were in a single development, High Pointe of Clemson, that are targeted to university students and as such, do not necessarily reflect typical demand in the local housing market.

Table 4-8
 Median Assessed Market Values by Year Built
 Oconee County

| Yr Built | Single Family* | | | Condominiums | | |
|------------|----------------|-----------|----------|--------------|-----------|----------|
| | Units | Median | % Change | Units | Median | % Change |
| After 2005 | 2,261 | \$294,260 | 22.9% | 336 | \$194,000 | 53.4% |
| 2001-2005 | 2,572 | \$239,515 | 19.0% | 208 | \$126,480 | 9.6% |
| 1996-2000 | 2,198 | \$201,196 | -4.2% | 18 | \$115,355 | -4.3% |
| 1991-1995 | 1,644 | \$209,915 | — | 11 | \$120,480 | — |
| All Years | 22,230 | \$135,865 | | 714 | \$135,390 | |

*Excluding farmsteads and mobile homes
 Source: Oconee County Assessor's Office and RKG Associates

b.) For-Sale Residential Trends

A review of single family home sales in the county between 2007 and 2012 is presented in Table 4-9. As shown, there were approximately 2,750 single family transactions during this time period, according to County sales records.¹ Total sales during this six year time period do not seem to indicate that any notable impact was evident in sales volumes and values from the real estate downturn that began around 2008. In fact, sales reportedly increased for several years suggesting that the county’s housing market were less affected by the recession than other portions of the country. Similarly, average sales prices experienced an up-tick as well before dropping off in 2011/12.

Table 4-9
 Sales Prices of Single Family Homes 2007-2012

| Oconee County | | | | | | | | |
|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-------|---------|
| Sales Price | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | Total | % Total |
| <\$100k | 110 | 54 | 222 | 194 | 353 | 175 | 1,108 | 40% |
| \$100k-200k | 55 | 24 | 208 | 202 | 199 | 100 | 788 | 29% |
| \$201k-300k | 25 | 20 | 97 | 71 | 81 | 50 | 344 | 12% |
| \$301k-400k | 5 | | 42 | 45 | 31 | 33 | 156 | 6% |
| \$401k-500k | 14 | 1 | 24 | 28 | 33 | 15 | 115 | 4% |
| \$501k-600k | 1 | 3 | 14 | 32 | 8 | 7 | 65 | 2% |
| \$601k-700k | 1 | 3 | 17 | 9 | 8 | 6 | 44 | 2% |
| \$701k-800k | 5 | 1 | 8 | 11 | 9 | 8 | 42 | 2% |
| >\$800k | 6 | 2 | 22 | 27 | 21 | 16 | 94 | 3% |
| Total Sales | 222 | 108 | 654 | 619 | 743 | 410 | 2,756 | 100% |
| Average | \$177,350 | \$276,216 | \$211,854 | \$243,181 | \$179,022 | \$199,760 | | |

Source: Oconee County Assessor’s Office and RKG Associates

The majority of home sales (80%) through this time period had sales prices of under \$300,000 with 40% alone under \$100,000 – a trend that reinforces observations made previously in this chapter regarding the demand for affordably-priced ownership housing in the county.

There were also a moderate number of sales in the mid-range price levels between \$300,000 and \$500,000 where 10% of total sales occurred. Higher-end housing sales above the \$500,000 price level accounted for about 12% of overall sales with luxury homes sales in excess of \$800,000 accounting for 3% of total sales during this time period.

Table 4-10 presents a summary of for-sale housing in Oconee County based on recent Multiple Listings Service (MLS) offerings. As shown, there are about 1,000 homes for sale including 850 single family, 140 condominiums and 70 mobile homes. From a percentage standpoint there are fewer homes listed below the \$100k level when compared to historical sales in that price range and more listings in the \$100k-\$300k range. Although listing prices do not necessarily reflect final sales prices, this may be an indication that the local housing market is beginning to experience some

¹ Residential sales data of qualified, arms-length transactions provided by the Oconee County Assessor’s Office for this time period was comprised almost entirely of single family homes. Therefore, no detail was available regarding condominiums or other types of housing transactions.

upward pressure on pricing as the national housing market shows signs of more stable and/or rising sales volumes.

Table 4-10
For-Sale Property Listings - November 2012
Oconee County

| Asking Price | Single Family | | | | | | | | Townhome/Condos | | Mobile Homes | |
|------------------|---------------|----------|-------------|------------|-----------|-------|--------------|----------------|-----------------|----------------|--------------|----------------|
| | Seneca | Walhalla | Westminster | West Union | Fair Play | Other | County Total | County % Total | County Total | County % Total | County Total | County % Total |
| Less than \$100k | 54 | 15 | 22 | 3 | 4 | 38 | 136 | 16% | 13 | 9% | 44 | 64% |
| \$100k - 199k | 99 | 30 | 64 | 18 | 12 | 44 | 267 | 31% | 92 | 65% | 18 | 26% |
| \$200k - 299k | 55 | 12 | 16 | 6 | 10 | 47 | 146 | 17% | 22 | 15% | 6 | 9% |
| \$300k - 399k | 28 | 3 | 11 | 5 | 3 | 31 | 81 | 10% | 5 | 4% | 1 | 1% |
| \$400k - 499k | 28 | 0 | 2 | 4 | 10 | 8 | 52 | 6% | 4 | 3% | 0 | 0% |
| \$500k - 599k | 30 | 0 | 0 | 0 | 3 | 18 | 51 | 6% | 3 | 2% | 0 | 0% |
| \$600k - 699k | 19 | 0 | 0 | 0 | 2 | 11 | 32 | 4% | 1 | 1% | 0 | 0% |
| \$700k - 799k | 16 | 0 | 0 | 0 | 2 | 9 | 27 | 3% | 2 | 1% | 0 | 0% |
| >\$800k | 35 | 0 | 0 | 0 | 0 | 22 | 57 | 7% | 0 | 0% | 0 | 0% |
| Total | 364 | 60 | 115 | 36 | 46 | 228 | 849 | 100% | 142 | 100% | 69 | 100% |

Source: Western Upstate Association of Realtors on-line MLS

c.) *Rental Housing Lease Rates*

A review of recent rental listings for Oconee County found a total of approximately 70 units available from on-line sources. The majority of these were single family homes (47), along with 14 condominiums and only 6 apartment units. Table 4-11 presents a summary of the rental listings by bedroom size and average lease rates that were identified as of November 2012. Due to the small sample size in some categories there is considerable variation in median lease rates for certain housing types and bedroom sizes. Overall, the median lease rate for all housing types in the county was \$900 with both apartments and condominiums at the low end of \$700 and single family homes at the high of \$1,000 per month. These rates are considerably higher than the Census estimates of \$642 shown previously in Table 4-5. It may be that the Census sample included more apartments in the survey whereas these listings include a large proportion of single family homes which would typically have higher lease rates.

Table 4-11
Rental Listing Lease Rates - November 2012
Oconee County

| | 1 bedroom | | | 3 bedroom | | |
|---------------|-------------|-------------|---------|-------------|-------------|---------|
| | Units | Range | Median | Units | Range | Median |
| Single Family | 2 | \$475-899 | \$687 | 26 | \$375-2,400 | \$1,000 |
| Condo | 2 | \$400-750 | \$575 | 7 | \$575-1,200 | \$775 |
| Apartment | 1 | — | \$725 | 3 | \$675-1,700 | \$1,200 |
| Total | 5 | — | \$725 | 36 | — | \$1,000 |
| | 2 bedroom | | | 4-5 bedroom | | |
| | Units | Range | Median | Units | Range | Median |
| Single Family | 10 | \$475-3,000 | \$775 | 9 | \$675-2,250 | \$1,500 |
| Condo | 5 | \$480-750 | \$650 | 0 | — | — |
| Apartment | 2 | \$450-475 | \$462 | 0 | — | — |
| Total | 17 | — | \$650 | 9 | — | \$1,500 |
| | All bedroom | | | | | |
| | Units | Range | Median | | | |
| Single Family | 47 | — | \$1,000 | | | |
| Condo | 14 | — | \$700 | | | |
| Apartment | 6 | — | \$700 | | | |
| Total | 67 | — | \$900 | | | |

Source: Western Upstate Association of Realtors and Zillow on-line listings 11/2012

From an affordability perspective, the 1 and 2 bedroom units listed in the table would “generally” be affordable to households in the county with incomes at or above the median (\$38,350) assuming up to 30% of incomes toward lease payments. As shown previously in Table 4-7, this threshold would be approximately \$959 per month. The lower range of lease rates for 3-5 bedroom units (\$375-\$675) would also

be affordable to median income families but the upper end (\$1,200-\$2,400) would not.

C. NONRESIDENTIAL ANALYSIS

This section details the recent and historical real estate trends in the industrial and office markets that encompass and influence Oconee County's development environment. This nonresidential analysis reflects the most current market conditions and includes information such as building and land inventories, development trends, lease and vacancy rates, and historic absorption levels. The purpose of this analysis is to identify the existing competitive supply of real estate and provide estimates of potential future demand within the county.

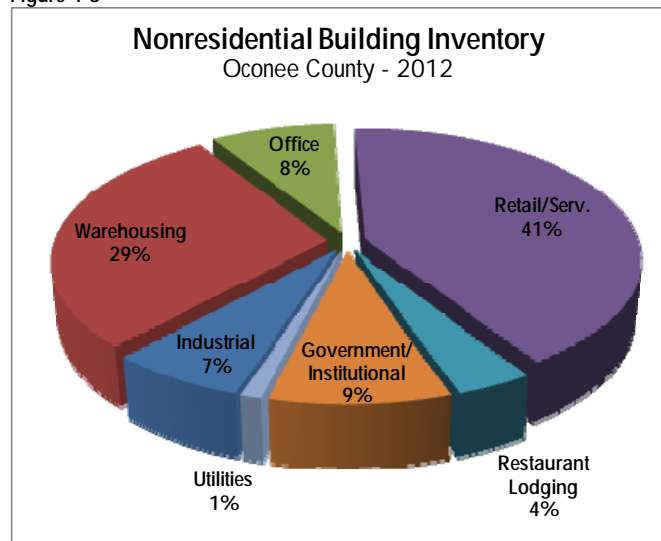
Oconee County's industrial and office markets operate on the periphery of the larger metropolitan areas of Greenville, Spartanburg and Anderson Counties. Greenville and Spartanburg Counties contain over 90% of the of monitored, nonresidential real estate supply in this multi-county area. Although the distance from Oconee County to Greenville is only 40-45 miles there is little evidence to suggest that Oconee has benefited greatly from any spillover effect from the central metro area which is largely concentrated along Interstate 85 between Interstate highways 26, 385 and the 185 beltway. Still, real estate conditions in the metro area, in terms of supply, sales prices and lease rates, will have a bearing on potential development opportunities in Oconee County. Therefore, this analysis includes real estate trends within this broader metropolitan multi-county region as an indicator of the upper end and/or, the leading edge of market potential for the Oconee area.

1. Nonresidential Building Inventory – Oconee County

Based on a review of Oconee County's assessment records, a summary inventory has been compiled that illustrates the total building square footage for nonresidential buildings in the county. The building uses presented in Table 4-12 and Figure 4-3 are generalized categories of the approximate 120 actual use types listed in the database.

As shown, there was approximately 12 Million Square Feet (MSF) of nonresidential building space in the county as of 2012. Retail/service uses represents the largest portion of the inventory at 4.9 MSF or 41% of the total. Since 2000, roughly 1.5 MSF has been added in this category representing an annual average absorption of about 125,000 SF per year. The second largest components are the warehousing and industrial categories which have a combined total of approximately 4.3

Figure 4-3



MSF (36%). These categories are presented as a total because there is likely to be some overlap between the two (use codes in the database provide insufficient detail to determine specific building uses in all cases). Over the past decade, assessment records indicate that approximately 65,150 SF have been added annually, on average, for these types of buildings.

Table 4-12
Nonresidential Building Inventory 2012
Oconee County

| Building Use | Square Feet | % Total | SF Built After 2000 |
|--------------------------|-------------|---------|---------------------|
| Industrial | 837,406 | 7% | 68,300 |
| Warehousing | 3,503,131 | 29% | 713,490 |
| Office | 1,016,822 | 8% | 437,561 |
| Retail/Service | 4,988,533 | 41% | 1,505,196 |
| Restaurant/Lodging | 476,129 | 4% | 138,366 |
| Government/Institutional | 1,100,031 | 9% | 448,875 |
| Utilities | 127,160 | 1% | 38,188 |
| Grand Total | 12,049,212 | 100% | 3,349,976 |

Source: Oconee County Assessor's Office and RKG Associates

Government buildings and institutional uses, such as schools and churches, account for the third largest portion of the inventory at just over 1.1 MSF (9%). This is followed by office uses which also account for approximately 1.0 MSF, about two-thirds of which is categorized as general office space, with one-third classified as medical offices. Since 2000, there has been an additional 417,500 SF of office space constructed in the county, 173,500 SF of general office and 226,900 SF of medical office. Overall, about 35,000 SF of combined office space has been absorbed annually during this time period.

Hospitality related uses such as restaurant and lodging facilities totaled approximately 476,000 SF in the database which represents 4% of the inventory. About 138,300 SF have been added in this category since 2000, an average absorption rate of 11,500 SF annually. Lastly, structures related to utility systems account for about 1% of the County's nonresidential space inventory.

2. Industrial Market Trends

The Greenville-Spartanburg-Anderson metro area industrial inventory of building space that is tracked by CB Richard Ellis (CBRE) is presented in Table 4-13. As shown, these counties supported approximately 146.5 Million Square Feet (MSF) of industrial space as of the 1Qtr 2012. This inventory is comprised of 55% manufacturing (81 MSF), 40% warehouse (58 MSF), and 5% R&D/Flex Space (7 MSF).

Table 4-13
Industrial Building Inventory, Vacancy and Lease Rates - 1Qtr 2012
Greenville, Spartanburg and Anderson Counties

| Market Area | Building SF | Total Vacancy % | Total Availability % | Vacant or Available SF | Avg Asking Lease Rate/SF | Under Construction | Last 4 Qtrs Net Absorption |
|--------------------|-------------|-----------------|----------------------|------------------------|--------------------------|--------------------|----------------------------|
| Central Greenville | 17,094,497 | 9.8 | 15.5 | 2,649,647 | \$2.42 | — | 333,302 |
| I-385 South | 20,005,742 | 9.2 | 12.4 | 2,480,712 | \$3.19 | — | 1,170,436 |
| I-85 East | 12,718,185 | 9.5 | 10.3 | 1,309,973 | \$6.06 | — | -9,369 |
| I-85 West | 15,888,204 | 8.9 | 9.5 | 1,509,379 | \$3.56 | — | 591,615 |
| Taylors-Greer | 7,982,145 | 6.2 | 8.4 | 670,500 | \$2.79 | — | 195,100 |
| Travelers Rest | 3,242,754 | 9.1 | 9.1 | 295,091 | \$3.17 | 60,000 | -60,000 |
| Greenville County | 76,931,527 | 9 | 11.6 | 8,924,057 | \$3.44 | 60,000 | 2,221,084 |
| Spartanburg County | 52,481,422 | 8.9 | 12.8 | 6,717,622 | \$2.84 | 1,000,000 | 988,046 |
| Anderson County | 17,186,948 | 7.1 | 8.5 | 1,460,891 | \$2.64 | 1,000,000 | -29,360 |
| Market Total | 146,599,897 | 8.7 | 11.6 | 17,102,570 | \$3.18 | 2,060,000 | 3,179,770 |

Source: CB Richard Ellis, Market View Greenville-Spartanburg Industrial

a.) Vacancy/Absorption

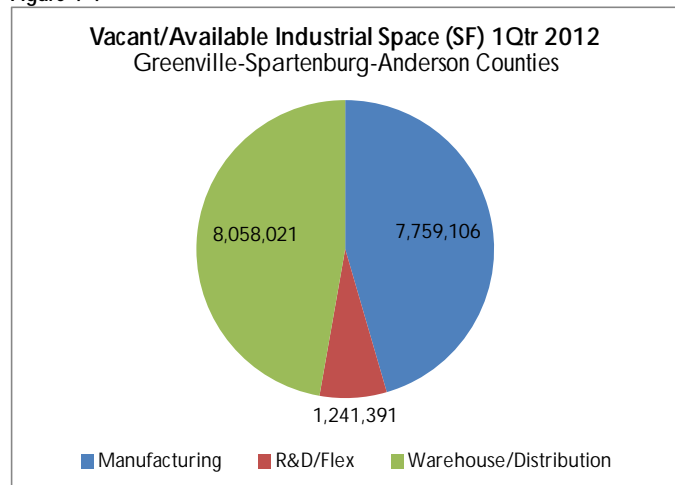
The overall availability rate in the region at the beginning of 2012 was 11.7% indicating that approximately 17.1 MSF of building space is either vacant or otherwise available for lease (e.g. being subleased or is presently occupied but being offered for lease). The actual vacancy rate is somewhat lower at 8.7% which represents 12.7 MSF of building space. Figure 4-4 provides a breakout of the available space by building type. However, there is variation in the regional submarkets with rates as low as 8.5% in Anderson County and 8.4% in the Taylors-Greer area while Spartanburg County had the highest rate of 12.8%. This variation is an indication of older inventory that exists in regional submarkets that is less viable than newer space being constructed to support current demand of changing industrial operations. Overall, vacancy has reportedly been declining since the first quarter of 2010, one indication that the industrial/warehousing sectors are gaining strength.

Additional positive signs in the regional industrial market are illustrated by recent and historical absorption trends. As shown in Table 4-13, net absorption over the last four quarters has totaled over 3.1 MSF with approximately 11 MSF of reported net absorption since 2006 (data not shown). In addition, another 2 MSF of space is under construction in the region which is relatively evenly distributed between manufacturing and

warehouse space. R&D/Flex Space added only 24,000 SF over the last four quarters suggesting that this type of product continues to play a relatively small role within the total inventory. Despite these positive indicators there is reportedly little speculative building occurring presently in the market with new construction being either user-built or developer build-to-suit space. However, with lease rates trending upward, speculative building could begin to become more prevalent. One product that is reportedly in short supply is Class A warehouse space defined as properties in excess of 100,000 SF with a 28 ft. clear height and Early Suppression Fast Response (ESFR) sprinkler systems. In fact, the vacancy rate for properties over 250,000 SF was down to 6.6% at the beginning of 2012, according to CBRE.

From a more localized perspective, vacancy/availability of industrial and warehouse space in Oconee County is estimated to total approximately 770,000 SF based on inventory data maintained by the Upstate Alliance and on-line listings. In comparison to the total square footage of inventory in the Assessor's database this

Figure 4-4



would represent an estimated availability rate of 17% within the County. As shown in Table 4-14, seven properties were listed as for-sale or for-lease, several of which are in excess of 100,000 SF with the remainder under 50,000 SF. Most of these properties are marketed as being suitable for either manufacturing or warehouse/distribution uses. The largest property is the Seneca Commerce Center which contains 420,000 SF and was formerly used for fabrics manufacturing. This property has direct rail accessibility (Norfolk Southern) offering an advantage as a warehousing/distribution site. The BMI facility also has rail access potential but is considerably smaller in square footage (35,000 SF) and so might benefit more for product/materials shipment direct to or from a manufacturer located at this site.

Table 4-14
 Industrial Buildings For-Sale/For-Lease
 Oconee County

| Name | Location | Community | Total SF | Sale Price | Sale/SF | Lease Price/SF |
|-----------------------------------|--------------------------|-------------|----------------|-------------|---------|----------------|
| Piedmont Home Textiles | 301 South Laurel Street | Walhalla | 167,166 | \$700,000 | \$4.19 | Negotiable |
| International Kitchen Supply | 3466 N Highway 11 | West Union | 40,000 | \$750,000 | \$18.75 | Negotiable |
| BMI South Building | 273 Toccoa Hwy | Westminster | 35,000 | — | — | \$3.00 |
| Seneca Commerce Center | 320 Shiloh Road | Seneca | 303,020 | — | — | Negotiable |
| Keowee Warehouse/Distribution Ctr | 199 Keowee Business Pkwy | Seneca | 48,480 | — | — | \$3.15 |
| Kroeger | 2227 Blue Ridge Blvd | Seneca | 40,000 | — | — | \$3.60 |
| Jacobs Chuck Building | 1 Jacobs Road | Seneca | 135,910 | \$2,038,000 | \$15.00 | — |
| Total | | | 769,576 | | | |

Source: Upstate Alliance and Loopnet

The remaining industrial/warehouse inventory in the multi-county region includes the approximate 1.7 MSF of available space in Pickens County. This inventory is contained in 20 buildings listed in the Upstate Alliance database and is predominantly comprised of small-to-medium size facilities of less than 50,000 SF with an average size of about 22,000 SF. However, there are several larger buildings that range in size from 140,000 to 300,000 SF as well.

b.) Lease Rates and Sales Prices

Regional lease rates are summarized previously in Table 6-13. As shown, asking rates per square foot ranged between \$2.42 and \$3.56 with an anomalously high rate of \$6.06 in one submarket. Overall, the average for the market was \$3.18 as of the 1Qtr with prices experiencing a general upward trend due to increasing demand, according to CBRE.

Within Oconee County, the limited number of properties available for lease or sale makes more tenuous, estimating a true average cost that is comparable to the region. Oconee's market is presumed to be more owner-occupied in nature with properties leased when sales demand is weak. Of the several properties for which lease rates were available (refer to Table 6-14) asking prices (\$3.00-\$3.80/SF) tend towards the higher end of the regional range, although most are probably negotiable given current market availability. In contrast, asking rates in neighboring Pickens County were somewhat lower and more in line with regional rates, ranging between \$2.00/SF and \$3.10/SF, although many of these properties have relatively small square footage available. The limited supply of available space in Oconee may cause rates to be set optimistically high since potential occupants have less inventory to choose from. This may make properties in Oconee less competitive with facilities in

the region that are better positioned within the market from an accessibility standpoint.

Conversely, from a for-sale perspective, Oconee's listed properties are much more competitively priced in comparison to listed regional offerings. The four industrial buildings for-sale in Oconee had an average asking price of \$10.67/SF. In contrast, average asking sale prices in the other three counties were as follows: Anderson County, \$38.39/SF (8 properties); Greenville County, \$28.81/SF (22 properties); and Pickens County, \$28.19/SF (11 properties).

Oconee County's industrial market has experienced similar challenges to the region and the U.S. as a result of the economic downturn. The loss of manufacturing activity is as much the impact of globalization as it has been the reduction in consumption over the past few years. Despite this, Oconee County was experiencing growth in the industrial sector prior to the downturn. Additionally, the County has been very successful in attracting new industrial prospects through the development of new shell buildings. All of this indicates Oconee County remains a competitive market for new manufacturing and industrial employment. As the economy recovers, opportunities to attract new industrial users will return. However, much of this success will rely on Oconee County's ability to retain its competitive advantages over other locales. The success of Oconee's shell building program is a prime example of this advantage.

3. Office Market Trends

In contrast to Oconee County's industrial market, which is more likely to be influenced by trends and activities in the broader metropolitan region, the County's office market operates in a more self-contained manner. As noted previously in this section, the County has an office inventory containing approximately 1.0 Million Square Feet, two-thirds of which is classified as general office and one-third as medical office. The average building size of the 288 offices identified in the assessment database is 3,500 SF which provide space for medical, professional, and service-related tenants (i.e. banks, insurance, real estate, etc.). Much of the County's space is concentrated in Seneca, particularly around the medical center and along Routes 123 and 130. A secondary location of office space is found in the county seat of Walhalla which reportedly, is primarily occupied as professional space (e.g. accountants and attorneys) with less focus on the medical market. The competing office market for these Oconee County submarkets is primarily considered to be Clemson which, according to area brokers, is able to support an inventory of somewhat larger buildings/users (6,000 - 7,000 SF was identified as typical).

a.) Vacancy/Absorption

Office structures in Oconee County include many converted residential properties. There is almost no leasable office space that would be considered Class A or B office space configured in multi-story, brick and glass structures like those found in downtown or suburban office park locations in the Greenville or Spartanburg. As noted previously, absorption over the past decade is estimated to have been 35,000 SF on an average annual basis. Demand for medical office space has slightly outpaced general office construction with approximately 240,000 SF and 196,900 SF

constructed in the county since 2000, although there may be some overlap of uses within these two categories.

From a regional perspective, the Greenville-Spartanburg metro area has approximately 10.7 MSF of Class A/B space, according to CBRE. Availability in this area was quite high at the beginning of 2012 with a reported availability rate of 18.7% (15.7% vacancy rate), representing about 2 MSF of Class A/B inventory. Discussions with area brokers indicated that the estimated availability rate in Oconee County is probably comparable to the metro area although the amount of total square footage would be only a fraction of the regional availability. Vacancy rates in the metro area had been trending steadily between 16%-17% since the beginning of 2009 due to the economic recession which displaced many jobs in the financial and professional sectors, major drivers of office market demand. However, through 2011 the vacancy rate has declined to 15.7% as of 1Qtr 2012 with a net absorption of approximately 85,000 SF for the year reportedly lead by some resurgence in the financial and telecomm sectors. Still, a full return of all displaced jobs is likely to be at least several years in the future which means that achieving fuller office occupancy levels will be a slow process. It also means that demand for new construction will be correspondingly diminished, driven by end-user demand with little speculative building likely. One sector that may continue to generate future office demand is the medical sector which, despite incurring employment losses over the last several years, is projected to experience future expansion that could influence Oconee's office market. Discussions with area brokers and medical sector professionals indicate such expectations exist although the timing and absorption levels are uncertain at this time.

b.) Lease Rates and Sales Prices

Lease rates for office space in the metro area at the beginning of 2012 were \$19.28/SF for Class A and \$14.38/SF for Class B facilities. Despite positive absorption levels averaging 200,000 SF annually that have been reported in the metro area over the past few years, lease rates have still been experiencing downward pressure – an indication that available supply is still outpacing demand. Demand for the best quality space has however, been stronger allowing landlords to

Table 4-15
 Office Listings For-Sale/For-Lease
 Oconee County

| Property Type | Location | Building Size | SF Avail | Sale Price | Rent/SF/Yr |
|---------------|----------|---------------|----------|------------|------------|
| Office | Seneca | 1,700 | 300 | | Negotiable |
| Office | Seneca | 1,262 | 400 | | \$7.12 |
| Office | Seneca | 4,800 | 400 | | \$14.25 |
| Office | Seneca | 977 | 977 | \$49,000 | \$6.14 |
| Office | Seneca | 2,000 | 1,100 | | \$6.55 |
| Office | Seneca | 5,370 | 1,155 | \$389,000 | \$8.15 |
| Office | Seneca | 2,000 | 1,200 | | \$8.00 |
| Office | Seneca | 12,456 | 1,250 | | \$12.00 |
| Office | Seneca | 2,064 | 1,470 | | \$14.69 |
| Office | Seneca | 8,764 | 1,682 | | \$7.85 |
| Office | Seneca | 23,138 | 1,700 | | \$7.77 |
| Office | Seneca | 1,786 | 1,786 | \$275,000 | Negotiable |
| Office | Seneca | 5,900 | 1,800 | | \$8.00 |
| Office | Seneca | 2,199 | 2,199 | \$89,000 | \$5.46 |
| Office | Seneca | 4,407 | 2,400 | | Negotiable |
| Office | Seneca | 3,935 | 2,400 | | \$8.00 |
| Office | Seneca | 2,500 | 2,500 | | \$12.00 |
| Office | Seneca | 13,423 | 3,231 | | \$10.50 |
| Office | Seneca | 10,500 | 4,142 | | \$12.00 |
| Office | Seneca | 4,500 | 4,500 | \$725,000 | Negotiable |
| Office | Seneca | 5,015 | 5,015 | \$460,000 | Negotiable |
| Office | Seneca | 5,370 | 5,370 | \$265,000 | Negotiable |
| Office | Seneca | 6,104 | 6,104 | \$349,000 | Negotiable |
| Office | Seneca | 26,700 | 6,500 | | Negotiable |
| Office | Seneca | 10,000 | 7,500 | | \$8.50 |
| Office | Walhalla | 7,127 | 1,400 | \$375,000 | \$12.85 |
| Office | Walhalla | 1,600 | 1,600 | \$124,500 | \$5.25 |
| Office | Walhalla | 2,500 | 2,500 | \$195,000 | \$7.20 |
| Office | Walhalla | 3,000 | 3,000 | \$225,000 | \$4.80 |
| Total/Average | | 181,097 | 75,581 | \$98.80/SF | \$8.90 |

Source: Showcase.com

achieve higher than average rents for these properties in locations such as the Greenville central business district area.

A review of one on-line source of office listings in Oconee County revealed that approximately 75,500 SF was available, as shown in Table 4-15. Much of the available space, as noted previously, is geared towards smaller users with 22 of the 29 properties listed being 3,000 SF or less in size with an average of about 2,600 SF. Although a good portion of the available space is apparently in larger, multi-tenant or mixed use buildings, even the average building size of this sample is relatively small at 6,200 SF.

Asking lease rates for these listings range from \$4.80 to \$14.69/SF with an average of \$8.90/SF. The high end of the range for these listings for Oconee County represents the low end of Class B space rates in the Greenville metro area illustrating the distinction in type of product and demand potential. Achievable rates in Clemson's competing market area were also reportedly higher in the \$18-\$20/SF range, according to area brokers.

Overall, available indicators for the office market suggest the region is still in recovery from the negative impacts of recessionary conditions but is seeing some signs of strengthening. Vacancy is still relatively high in the metro area and is likely to take several more years of sustained employment growth before occupancy levels return to desirable conditions for property owners and developers. Oconee County's market is believed to be in a slightly better position than the Greenville area since it does not have the same concentration of financial sector jobs. Still, there is no expectation that demand for office space in Oconee will increase from recent levels until the overall regional outlook changes. However, this does not preclude the likelihood of new construction since demand potential to replace older, poorly configured space that does not meet changing business needs is often visible even in weaker market phases. This is evident in the construction of 370,000 SF of new space expected in the Greenville area in 2012 despite high vacancy rates. Similarly, Oconee County could see some new construction, particularly in the medical sector, but it would most likely occur at the expense of existing, older buildings in the market.

4. Nonresidential Land Inventory

The supply of vacant, developable land designated for industrial and/or commercial use within the four-county region is presented in Table 4-16. The locations of these properties are also illustrated in Figures 4-5 through 4-8. This inventory, which is maintained by the

Table 4-16
 Industrial/Commercial Land Inventory 2012
 Four-County Region

| Site Acreage | Anderson | | Greenville | | Oconee | | Pickens | | Region Total | |
|---------------|-----------|--------------|------------|--------------|----------|--------------|----------|------------|--------------|---------------|
| | Sites | Acres | Sites | Acres | Sites | Acres | Sites | Acres | Sites | Acres |
| Less than 50 | 18 | 621 | 40 | 745 | 3 | 70 | 2 | 65 | 63 | 1,501 |
| 50-99 | 10 | 683 | 9 | 576 | 1 | 57 | 0 | 0 | 20 | 1,316 |
| 100-300 | 12 | 1,984 | 8 | 1,603 | 3 | 489 | 0 | 0 | 23 | 4,076 |
| More than 300 | 2 | 1,329 | 2 | 1,350 | 1 | 406 | 1 | 522 | 6 | 3,607 |
| Total | 42 | 4,617 | 59 | 4,274 | 8 | 1,022 | 3 | 587 | 112 | 10,500 |

Source: Upstate Alliance

Upstate Alliance, indicates that there is a total of approximately 10,500 acres of land, in 112 properties, for sale or lease within the greater Oconee area. There is also an additional 6,700 acres available east of Greenville County in Spartanburg County.

There can, of course, be considerable variation in the characteristics of the regional land inventory with regards to size, location, highway access, availability of utilities, rail potential and cost. As shown in the table, Oconee County has just over 1,000 acres of designated land in eight properties. This represents about 10% of the regional supply and is only one-quarter the acreage available in either Greenville or Anderson Counties. Although more limited in total acreage, Oconee's development sites do offer a variety of size options from smaller to very large when compared to the other counties. However, Oconee is limited in the 50-99 acre category where only one site is listed. While there is always potential to subdivide larger properties if a user/developer is looking for a smaller site, it is important to maintain a variety of shovel-ready sites in order to respond quickly to a potential development opportunity, particularly given the large inventory of available land within the region.

Table 4-17
Industrial/Commercial Land Inventory
Oconee County

| Site Name | Location | Community | Acreage | Utilities Available | | | | Avg. Sale Price/Acre |
|-----------------------------|------------------------------|-----------------|---------|---------------------|------|-------|------|----------------------|
| | | | | Water | Gas | Sewer | Rail | |
| Moore Site | 3445 Blue Ridge Blvd | Walhalla | 39 | A | A | A | X | \$ 67,346 |
| Pattillo Industrial Site | US 76/123, 1 mi E | Seneca | 58 | A | A | A | X | \$ 15,000 |
| Hamrick Industrial Site | US 76/123, 0.4 mi E | Westminster | 105 | A | A | Near | X | \$ 18,000 |
| Seneca Rail Site | 320 Shiloh Rd | Seneca | 125 | A | A | A | A | \$ 10,000 |
| Golden Corner Commerce Park | SC 59, 2 miles north of I-85 | Fair Play, SC | 260 | A | A | Near | X | \$ 30,000 |
| Echo Hills Park | SC Hwy 11 | Westminster, SC | 407 | A | Near | A | X | \$ 35,000 |

Source: Upstate Alliance

The location and characteristics of industrial/commercial properties available in Oconee County are shown in Table 4-17. It should be noted that the asking sales prices presented for all properties represent the *minimum* listed price which assumes purchase of the entire tract or a large portion of the available acreage. The value and competitiveness of these development sites will vary depending on location, utilities, size, etc. The most competitive sites in the region are those that have good highway access, as well as existing availability of all utilities (water, sewer, gas, electric²) at the property. Site preparedness, in terms of being shovel-ready or requiring less site preparation, will also influence desirability.

Table 4-18
Full Service Sites (water/sewer/gas) and Asking Sales Price
Regional Industrial/Commercial Land Inventory*

| County | With All Utilities | | Rail | | Average Sale Price/Acre |
|------------|--------------------|---------|-------|---------|-------------------------|
| | Sites | Acreage | Sites | Acreage | |
| Anderson | 17 | 1,360 | 3 | 380 | \$50,315 |
| Greenville | 36 | 1,650 | 10 | 1,020 | \$70,900 |
| Oconee | 3 | 222 | 1 | 125 | \$30,780 |
| Pickens | 2 | 520 | 0 | 0 | \$25,000 |
| Total | 58 | 3,752 | 14 | 1,525 | \$61,200 |

*Does not include lease-only sites

Source: Upstate Alliance and RKG Associates

Table 4-18 summarizes the regional sites with regards to utility and rail access. As shown, there are

² Note: Information in the database regarding availability of electrical service was limited. Although electrical service was generally identified as available at most sites, the suitability of service levels for industrial use (i.e. 3-phase or better) was often not included.

approximately 3,750 acres of sites with complete utility availability in the four-county area. The average asking price is \$61,200/acre ranging from a high of \$70,900 in Greenville County to \$25,000 in Pickens County. Oconee County has about 6% of the regional supply of full-service sites with 222 acres located at the Moore Site, Pattillo Industrial Site, and Seneca Rail Site properties. The average asking price in the county overall is about \$30,700/acre for these sites which is competitive with sites in Greenville and Anderson Counties. The asking sales price for regional sites that lack either water or sewer on-site is less than half of full-service sites with average prices ranging between \$26,000 and \$29,000 per acre. There are approximately 4,000 acres without on-site sewer and 3,890 without water within the region although many of these sites may have lines available in close proximity (data not shown).

Although Oconee’s full-service sites are competitively priced they are limited by highway access, in particular, Interstate highway access, in comparison to other regional sites. In referring to Figures 4-5 through 4-8, this fact is evident in that almost all of Greenville’s sites have direct, or close access, to the Interstate network. In Anderson County roughly half of the inventory is similarly situated. In contrast, only the Golden Corner property in Oconee is comparably located near the Interstate and sewer has not yet reached this park.

The availability of rail can also make a site more marketable particularly for industries involved with warehousing, distribution, logistics, and manufacturing of heavy products, or those requiring quantities of raw materials. As shown in Table 4-18, there are some 1,520 acres in the region that are designated as presently being rail-accessible although others are situated “near” a rail line. Only one site in Oconee has rail access, the 120 acre Seneca Rail Site which also has full-service utilities. Marketing this site to rail-dependent industries, and improving rail access potential to more sites in Oconee County, could help to offset some of the location disadvantages that may result from the county’s limited Interstate availability.

One final consideration effecting competing land sites is the shovel-ready status of a property. All other factors being equal, those sites that have been permitted, are suitably zoned, require less clearing and grading, have utilities on-site, and have no hazardous substances, will be more marketable in a competitive environment. To address this consideration in a more institutionalized manner the State of South Carolina established the State Certified Industrial Site program. The minimum size for certified industrial sites is 20 acres and industrial parks must be at least 100 acres. The certification process requires the applicant to document a set of minimum criteria that verify sale/lease availability, road access, utility systems, zoning, and environmental conditions. The application and approval process can take the better part of a year and requires that verification of site details to the

Table 4-19
 State Certified Industrial Sites/Parks

| Site Name | County | Acreage |
|--|------------|---------|
| Elmore Site | Anderson | 108 |
| Standpipe Business Technology Ctr | Anderson | 45 |
| Betsy Tucker | Anderson | 517 |
| Pelzer Pointe | Anderson | 37 |
| Rogers Industrial Site | Anderson | 174 |
| Battery Park | Anderson | 127 |
| Liberty Bay Business Center | Anderson | 80 |
| Anderson Airport Business Park | Anderson | 171 |
| Subtotal Anderson | | 1,259 |
| The Matrix: A Business & Technology Park | Greenville | 275 |
| 1400 Old Stage Road | Greenville | 40 |
| Subtotal Greenville | | 315 |
| Golden Corner Commerce Park | Oconee | 260 |
| Regional Total | | 1,834 |

Source: Upstate Alliance

state occur annually. Although this process requires a considerable level of up-front effort on the applicant's part it establishes a level of due diligence that can reduce the permitting and site development process by months. This makes certified sites more appealing to potential occupants and allows the county, or other controlling entity, to move more quickly when interested parties are identified. Presently, there 11 certified sites in the four-county region as shown in Table 4-19, one of which is the Golden Corner Park in Oconee County. Of the 1,834 certified acres in the region, Anderson County is the most well positioned to take advantage of this program with over 1,200 acres at eight sites or parks. This county also has the largest site, Betsy Tucker, which is over 500 acres in size with very good access from Interstate 85.

Figure 4-5
Oconee County
Industrial Sites
(outlined in blue)

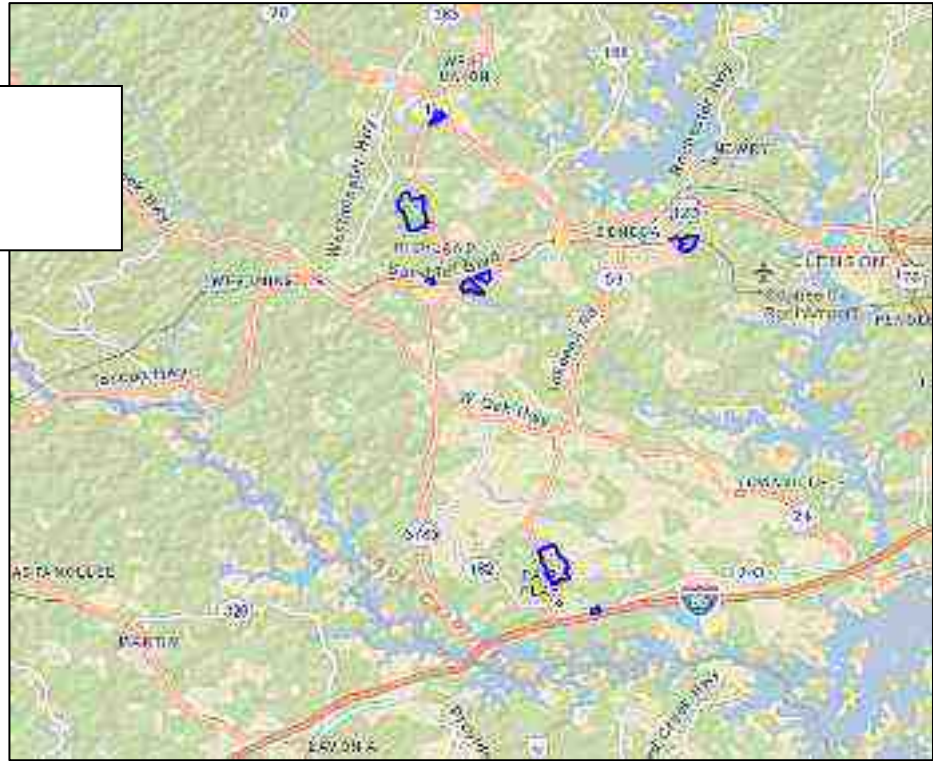


Figure 4-6
Anderson County
Industrial Sites
(outlined in blue)

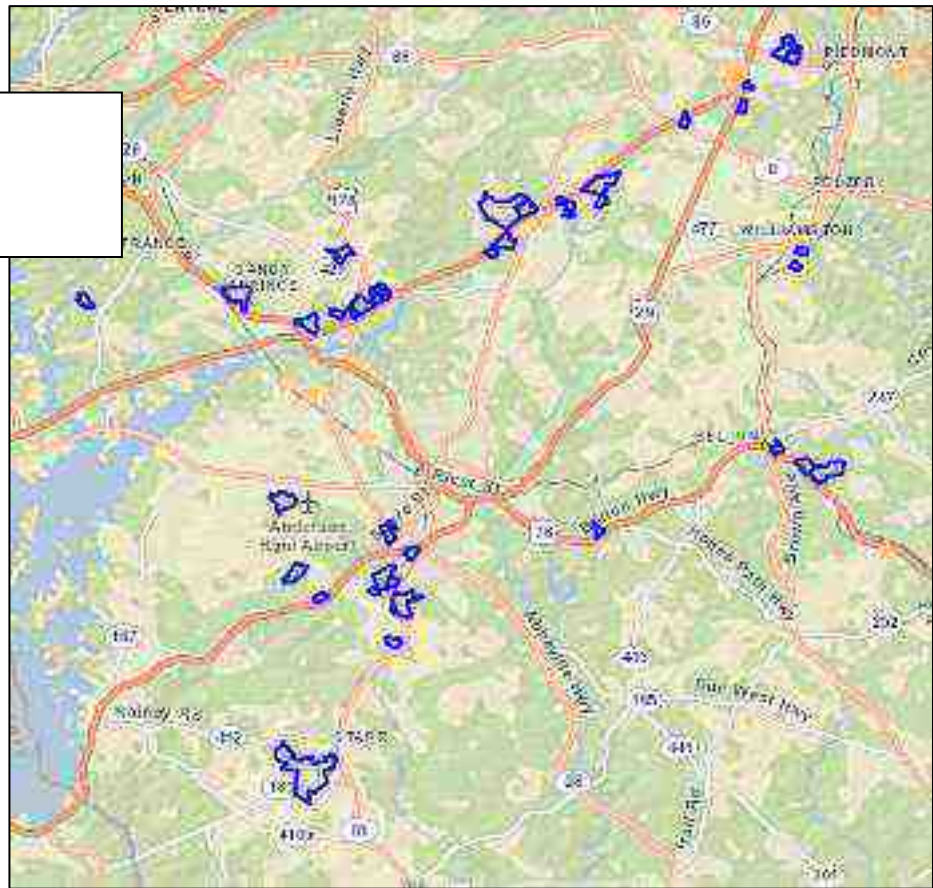


Figure 4-7
Greenville County
Industrial Sites
(outlined in blue)

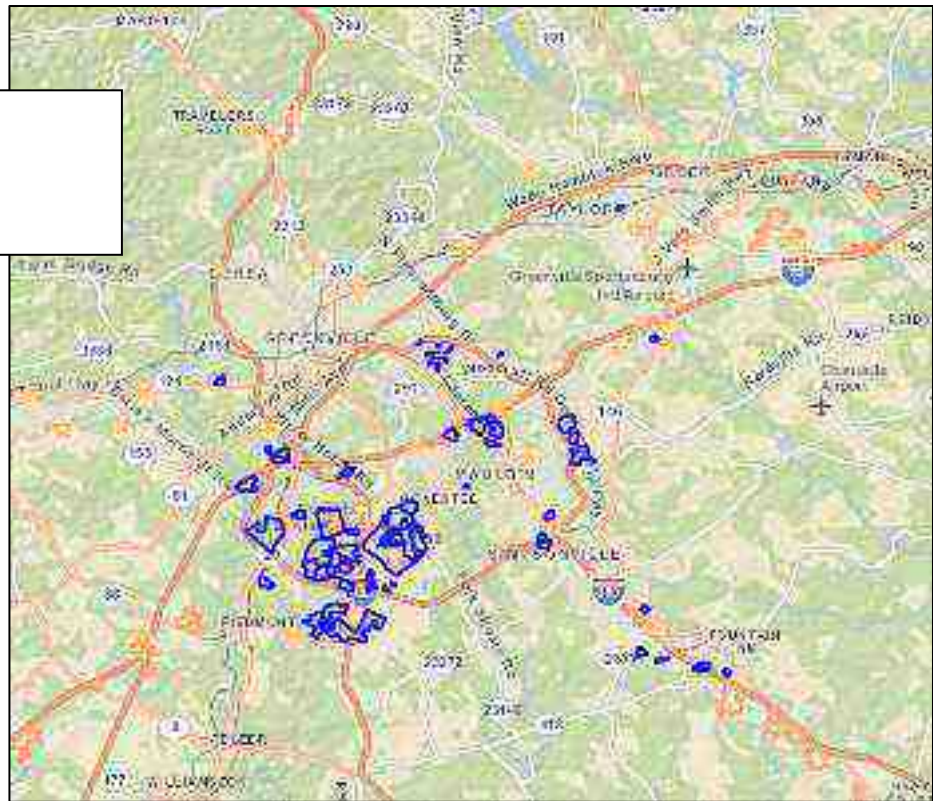


Figure 4-8
Pickens County
Industrial Sites
(outlined in blue)



D. IMPLICATIONS

1. Residential

Overall, housing costs in Oconee County are relatively low but they still appear to place a strain on local income levels for a significant portion of the county's households. This scenario seems to hold true for both owner and rental households. From a rental perspective, one reason monthly costs appear to be higher is because of the large supply of single family homes available for rent, many of which are waterfront properties that are generally able to achieve higher rent levels than apartments. This implies that there is both a shortage of apartment rentals and that the availability of single family homes as rental properties may be weakening market demand for new apartment construction. Prior to the housing market's slump in 2008, the number of apartment units permitted in the county represented a substantial portion of new construction indicating the market was responding to perceived demand. The County should evaluate its land use regulations with regards to multifamily construction in order to insure that they do not limit private-sector initiative for new construction, and may also want to consider offering incentives to encourage additional development of this housing type.

With population and household growth projected to occur more slowly in comparison to the previous decade, there will be commensurate reduction in demand for new housing. Still, projections suggest the county will see the addition of approximately 1,500 households between 2011 and 2016, which will generate housing demand. However, the supply of vacant dwellings will absorb some of this demand and thus, lessen somewhat, the need for new construction.

More affordable housing would seem to be needed as part of an economic development strategy, both to support existing households, as well as, to be able to attract additional workforce to fill any long-term job growth objectives. However, the county also has a relatively small supply of higher end housing that would be attractive to upper management and professional households. Future demand for this type of housing is not expected to be as great as the need for affordable workforce housing but it is important to maintain a greater balance so as not to limit potential economic targets.

Given the decline in overall housing production caused by the economic downturn over the last several years, implementing a strategy to address the county's housing needs is likely to be a multi-year process.

2. Nonresidential

Oconee County has a solid base of industrial, warehouse and office space which has experienced moderate expansion over the past decade. Since 2000 these uses have added approximately 1.2 MSF of inventory, lead by warehousing (713,000 SF), and followed by office (417,000 SF) and industrial (68,000 SF) uses. However, there is likely to be some overlap in the warehouse and industrial uses which could not be discerned based on data available in the County's assessment records.

The industrial/warehouse sectors in Oconee County operate within the context of the broader metropolitan region comprised of Greenville, Anderson, and Pickens Counties. Data indicates there is a relatively large supply of available building space (17 MSF) and vacant industrial land (10,000+ acres) within this market area that represents competition for buildings and sites in Oconee. Despite relatively high vacancy rates there are indications that the regional industrial market is strengthening, based on absorption rates and new construction observed over the last 12-18 months. It will still take a number of years to regain all of the employment lost to the recession but indicators seem to be moving in a positive direction.

Properties reported to be performing better within the region in terms of sales and/or leasing, are newer and larger facilities. Although little speculative development is evident at this time there is new construction to replace older manufacturing and warehousing facilities in order to support modernizing industrial practices and demands within the distribution and logistics sectors. For warehousing in particular, there is an apparent shortage of larger buildings in excess of 100,000 SF that meet specific size and mechanical standards. Construction of a spec building at a location in the county, most likely at the Golden Corner Commerce Park, could be one alternative within the overall economic strategy.

Since Oconee's buildings and land supply are at somewhat of a disadvantage from an accessibility standpoint, the county will need to continue to make extra effort to insure a competitive position in comparison to other properties in the region, such as the State certification of the Golden Corner Commerce Park. Since this site has the best Interstate access in the county it is likely to have the greatest chance of attracting users and should receive priority support with regards to economic development activities. In general, the County will need to make an effort to insure that all of its sites are as shovel-ready as possible in order to compete with the existing regional supply. Oconee County has approximately 1,000 acres of designated industrial land which is about one-quarter the amount available in both Greenville and Anderson Counties. Furthermore, Oconee's inventory of full-service sites (i.e. those with all utilities available) is 222 acres, which is again, one-third to one-quarter the availability of comparable sites in Greenville and Anderson. These conditions will make it more difficult to attract users to sites in the county which will lengthen absorption time, limit the types of users, and possibly reduce the potential density of development at sites with lower service levels.

Capitalizing of rail access within the county is seen as another opportunity for expanding Oconee's competitiveness within the regional market. Presently, there are 1,520 acres in the region identified as being "rail-ready", 125 acres of which is in Oconee, with 1,020 acres in Greenville and 380 acres in Anderson. Seeking methods to expand and improve the use of rail in the county could help to offset perceived location disadvantages for buildings and sites in Oconee that are not convenient to the Interstate, as is much of the supply in neighboring counties. Greater rail accessibility could help reduce transportation costs for businesses and serve to broaden the types of industries that might not otherwise consider a location in the county.

The office market in Oconee County has a different niche within the regional market in comparison to the county's industrial/warehouse market. The county's office market is largely comprised of smaller users (less than 3,500 SF) and as such, does not really compete with locations outside the county with the exception, perhaps, of nearby Clemson. Absorption of office space in the county has averaged about 35,000 SF annually over the past decade, about 55% of which was medical-oriented with the remainder being for general office uses. Vacancy/availability of office space in the region is relatively high at this time due to lingering effects of the economic downturn and its impact on the financial sector and other sectors that drive office demand. There is no expectation at this time that demand for new office space will increase significantly until existing supply has reached higher occupancy levels. However, this does not preclude all new construction with some moderate demand still expected to support growth in the medical sector, as well as to replace older inventory.

5 *INDUSTRY TARGET AND CLUSTER ANALYSIS*

A. INTRODUCTION

The identification of existing and potential industry clusters is a critical element of a strategic plan for economic development. Industry “clusters” are strategic groupings of businesses and industries that locate within close proximity of each other, or near a strategic resource, to gain economic benefits.

In order to identify the industry clusters for Oconee County, the consultant first identified the strengths and weaknesses of the region, the business climate, and quality of life factors. Using a screening process (described in detail later in this chapter), the consultant then identified particular industry groups that either already exist or would benefit from the competitive advantages of the county, the greater Oconee area, and the Upstate Region. This regional focus is very important, particularly for an economy the size of Oconee County, where growth trends and amenities in surrounding counties can have as much, and potentially a greater, impact as trends and amenities within county.

The result of these efforts is a list containing specific industry segments that are compatible with the resource offerings and industry activity of Oconee County. This list is intended to be used to focus a comprehensive recruitment effort by the County’s Economic Development Commission, as well as other local and regional organizations charged with this responsibility. This target industry list is not intended to preclude any non-listed industries from being recruited or otherwise encouraged to locate within the county. Rather, this list exemplifies those industries that may have the greatest interest in Oconee County based on local and regional competitive advantages.

This chapter includes: (1) a review of Oconee County and the broader region business climate and site location strengths and weaknesses; (2) a summary of the region’s quality of life factors; (3) a description of the screening criteria used to identify target industry groups; and (4) a description of the industry groups selected. For the purposes of this analysis, the consultant utilized several data sources that provide information about the business climate in and around Oconee County which compile the information at different geographic scales. Each section details the respective geography being examined.

B. BUSINESS CLIMATE FACTORS

To assess the business climate factors that impact Oconee County and South Carolina as a whole, the consultant collected State rankings from the Corporation for Enterprise Development (CFED) in Washington, DC. CFED is a non-profit organization that promotes economic vitality through increased economic competitiveness. It also gathers economic, financial and other relevant data on all fifty states and the District of Columbia. The CFED issues an annual *Development Report Card for the States*, which ranks each state in 92 categories, of which 58 categories are included here. These categories fall under the sub-headings of: (1) Financial Assets and Income, (2) Business and Jobs, (3) Housing and Homeownership, (4) Healthcare, (5) Education, and (6) Other.

While rankings are, by nature, subjective and do not provide the complete picture of the business climate in South Carolina and the local region, they are useful in measuring the State's performance relative to other states. This comparison provides a practical and adequate method for comparing the relative performance of South Carolina in a number of important areas.

The CFED data shown in Table 8-1 was sorted by the State's ranking among all fifty states and District of Columbia (second column). The ranking system goes from 1 (the best in a particular category) to 51 (the worst in a particular category). In order to provide a regional competitive context, the CFED also compares South Carolina with the states of North Carolina, Tennessee, Virginia and Georgia. These states have been included in this analysis to provide a sense of how South Carolina compares to states that can be considered competitors, in terms of economic development recruitment due to geographic and amenity similarities. In addition "grades" are given on a curve: ten states get A's, ten states get B's, sixteen get C's, ten get D's and five get F's."¹ The following narrative summarizes the findings in the 2012 CFED scorecard for South Carolina.

1. Financial and Assets Income

The Financial Assets and Income criteria presented in Table 8-1 suggest that South Carolina could use improvement in a number of areas receiving an overall D grade in this category. Although a number of the criteria are not reported in this section due to limited data availability, the remainder illustrated several notable observations. High poverty rates in South Carolina, as well as most of the region, is a persistent economic trend amongst many southern tier states that will require long-term economic policy actions to make meaningful changes. The larger percentage of "unbanked households" may point to a lack of local financial institutions as well as households living paycheck-to-paycheck with little or no reserves for savings. The state's low bankruptcy rate indicates that fewer households were extended beyond their means and managed to forestall recessionary impacts. However, relatively high credit card debt and very high overdue borrowing indicators suggests that households are operating at the edges of their financial means with regard to income versus the cost of living. Along with improving overall income levels, these issues could also potentially be addressed through education about better methods for managing personal financial dealings.

¹ 2012 Asset and Opportunity Scorecard, Corporation for Enterprise Development

Table 5-1
2012 Assets and Opportunities Scorecard
Corporation for Enterprise Development

| Category | South Carolina | South Carolina Data | North Carolina | Tennessee | Virginia | Georgia |
|--|----------------|---------------------|----------------|-----------|----------|----------|
| FINANCIAL ASSETS AND INCOME | D | | B | D | B | F |
| Net Worth | -- | \$59,926 | -- | -- | -- | -- |
| Asset Poverty Rate | -- | 25.1% | -- | -- | -- | -- |
| Asset Poverty by Race [1] | -- | 3.1 | -- | -- | -- | -- |
| Asset Poverty by Gender [1] | -- | 1.3 | -- | -- | -- | -- |
| Income Poverty Rate | 44 | 16.8% | 41 | 43 | 6 | 42 |
| Unbanked Households | 44 | 10.2% | 37 | 42 | 17 | 49 |
| Bankruptcy Rate (per 1,000 people) | 2 | 1.9 | 9 | 49 | 27 | 50 |
| Median Credit Card Debt | 23 | \$9,728 | 31 | 21 | 40 | 26 |
| Borrowers 90+ Days Overdue | 46 | 4.8% | 31 | 32 | 13 | 48 |
| BUSINESSES AND JOBS | F | | D | D | B | F |
| Small Business Ownership Rate | 37 | 1.4% | 40 | 46 | 44 | 49 |
| Private Loans to Small Business | 10 | \$1,572 | 6 | 13 | 28 | 19 |
| Microenterprise Ownership Rate | 32 | 15.0% | 21 | 16 | 44 | 7 |
| Business Ownership by Gender [1] | 48 | 1.5 | 36 | 39 | 30 | 28 |
| Business Ownership by Race [1] | 49 | 2.5 | 42 | 39 | 14 | 19 |
| Business Value by Gender [1] | 33 | 2.8 | 29 | 19 | 32 | 40 |
| Business Value by Race [1] | 45 | 3.5 | 44 | 36 | 22 | 48 |
| Employee Ownership (per 1,000 firms) | 40 | 1 | 44 | 33 | 7 | 48 |
| Business Creation Rate (per 1,000 workers) | 38 | 8.2 | 25 | 51 | 20 | 12 |
| Underemployment Rate | 43 | 18.1% | 38 | 34 | 10 | 42 |
| Unemployment Rate | 45 | 11.0% | 40 | 33 | 10 | 43 |
| Low-Wage Jobs | 43 | 29.0% | 36 | 35 | 26 | 39 |
| Average Annual Pay | 43 | \$41,407 | 24 | 19 | 7 | 14 |
| Retirement Plan Participation | 46 | 40.4% | 28 | 39 | 16 | 48 |
| Employers Offering Health Insurance | 37 | 50.1% | 30 | 14 | 12 | 41 |
| HOUSING AND HOMEOWNERSHIP | C | | C | C | B | D |
| Homeownership Rate | 18 | 68.7% | 34 | 23 | 30 | 38 |
| Homeownership by Race [1] | 24 | 1.5 | 32 | 34 | 16 | 31 |
| Homeownership by Income [1] | 10 | 2 | 23 | 31 | 7 | 27 |
| Homeownership by Gender [1] | -- | 1.02 | -- | -- | -- | -- |
| Foreclosure Rate | 41 | 4.4% | 23 | 18 | 7 | 26 |
| High-Cost Mortgage Loans | 28 | 5.0% | 18 | 43 | 14 | 33 |
| Delinquent Mortgage Loans | 26 | 3.0% | 27 | 41 | 12 | 48 |
| Affordability of Homes (value/income) [1] | 18 | 3.3 | 26 | 19 | 36 | 21 |
| Housing Cost Burden: Homeowners | 22 | 34.0% | 24 | 19 | 25 | 36 |
| Housing Cost Burden: Renters | 40 | 53.7% | 32 | 34 | 20 | 44 |

Table 5-1 (continued)

| Category | South Carolina | South Carolina Data | North Carolina | Tennessee | Virginia | Georgia |
|---------------------------------------|----------------|---------------------|----------------|-----------|----------|----------|
| HEALTHCARE | D | | D | C | D | F |
| Uninsured Rate | 39 | 20.2% | 35 | 27 | 21 | 47 |
| Uninsured by Race [1] | 16 | 1.7 | 31 | 20 | 37 | 27 |
| Uninsured by Income [1] | 29 | 11.3 | 26 | 18 | 51 | 23 |
| Uninsured by Gender [1] | 25 | 1.2 | 26 | 36 | 18 | 20 |
| Uninsured Low-Income Children | 34 | 12.2% | 31 | 15 | 30 | 41 |
| Uninsured Low-Income Parents | 35 | 37.0% | 36 | 16 | 25 | 46 |
| Employer-Provided Insurance | 41 | 53.9% | 42 | 36 | 16 | 40 |
| Employee Share of Premium | 29 | 27.5% | 19 | 28 | 49 | 35 |
| Out-of-Pocket Medical Expenses | -- | 22.0% | -- | -- | -- | -- |
| EDUCATION | D | | C | D | B | C |
| Early Childhood Education Enrollment | 16 | 31.2% | 30 | 28 | 40 | 10 |
| Math Proficiency: 8th Grade | 32 | 31.8% | 21 | 45 | 15 | 41 |
| Reading Proficiency: 8th Grade | 41 | 26.6% | 33 | 39 | 16 | 38 |
| High School Degree | 40 | 84.1% | 37 | 41 | 32 | 39 |
| Two-Year College Degree | 36 | 33.0% | 27 | 44 | 10 | 33 |
| Four-Year College Degree | 40 | 24.5% | 28 | 42 | 7 | 25 |
| Four-Year Degree by Race [1] | 40 | 1.9 | 33 | 12 | 11 | 23 |
| Four-Year Degree by Income [1] | 47 | 6.5 | 46 | 50 | 39 | 41 |
| Four-Year Degree by Gender [1] | -- | 1.0 | -- | -- | -- | -- |
| Average College Graduate Debt | 28 | \$23,623 | 13 | 9 | 27 | 7 |
| College Graduates with Debt | 16 | 55.0% | 13 | 5 | 25 | 16 |
| OTHERS | | | | | | |
| State Minimum Wage as of January 2012 | [3] | -- | \$7.25 | [3] | \$7.25 | \$5.15 |

Source: Corporation for Enterprise Development and RKG Associates, Inc., 2012

[1] The ratios in the North Carolina Data column measure the difference in outcomes between two populations by: race (white and minority), income (high- and low-income groups), or gender (male and female). A ratio of 1 indicates perfect equality; the higher the ratio, the greater the inequality.

[2] Some measures were not ranked due to insufficient data at the state level.

[3] No State Minimum Wage Law

2. Business and Jobs

Rankings in the business and jobs category were relatively poor for all states in the region with the exception of Virginia. South Carolina's overall F grade was matched only by Georgia. One of the few bright spots indicated by these criteria is a relatively high degree of private loans to small businesses suggesting that capital is available from local lenders to support local business operations and expansions. A fact which is born out by the also relatively high proportion of microenterprise ownership in the state. These indicators suggest there is a good climate for small businesses although the actual ownership rate of small businesses in the state is relatively low. Efforts to increase the number of small business start-ups appears to be one approach that could yield positive results for Oconee County's on-going economic development strategy.

3. Housing and Homeownership

Of all the CFED indicators, South Carolina ranks highest within the housing and homeownership metrics garnering an overall C rating. The state had a relatively high homeownership rate (68.7%), a fact that was found to be true across both high and low income levels indicating the availability of housing at a wide array of purchase prices. Housing costs portray a dichotomy however, with ownership costs being low, as a percentage of income, and renter costs being high. This finding indicates there is a lack of supply of apartment rentals and dependence on higher-priced single family homes to support renter demand. The foreclosure rate in South Carolina was relatively high at 4.4% ranking it 41st in the country. This fact is somewhat surprising given the overall affordability of housing indicating that, despite this fact, the state was not immune to the sustained recessionary impacts on employment.

4. Healthcare

Health insurance can impact economic development as an overall cost of doing business, as well as, through lost productivity of uninsured workers receiving insufficient medical care. In addition, the uninsured may incur high medical costs that inhibit their ability to cover other necessary household expenses. South Carolina received a D rating overall for healthcare having approximately 20% of employees uninsured ranking it 39th nationally, with only 53% of employees covered by their employees insurance programs (41st rank). Improving these scores could help both to improve worker productivity and act as incentive for attracting new employees to the state. The pending implementation of the national Affordable Health Care Act would be expected to improve these conditions.

5. Education

As with many of the preceding CFED criteria, South Carolina tends to rank in the lowest quintile in a number of the education-related criteria with an overall D rating. The state ranks 40th with regard to the percentage of residents with four-year degrees and somewhat better regarding two-year degrees (36th). Early childhood education offers a positive note with a 31% enrollment rate, as does math proficiency at the grade school level. College debt levels are also relatively low indicating more affordability in the state's higher learning institutions. These findings suggest the state has considerable work to do from an educational standpoint in order to make it more of a supportive component of economic development efforts.

6. State Minimum Wage

RKG Associates has included an additional data criterion to those collected by CFED, the state minimum wage. South Carolina, as well as Tennessee, do have a mandatory stateside minimum wage rate. Both North Carolina and Virginia have minimum wage rates linked to the Federal rate of \$7.25 per hour. Georgia's minimum wage is set lower at \$5.15 per hour. South Carolina's lack of statewide minimum wage rate makes it more attractive for employers but also leaves its residents more susceptible to increased costs of living.

7. Implications

The 2012 *Assets & Opportunity Scorecard* provides a picture, from a household financial security perspective, of both how families in each state fare and the policies in place to improve outcomes. All of these indicators may not be reflective of conditions in Oconee County, although some clearly are. However, they provide a broad-brush perspective used by some potential employers and employees to evaluate economic development interest. Overall, South Carolina scored relatively low on the *Scorecard* as did the entire Southeastern United States, where all states were ranked in the lowest quintile overall.

C. TOP SITE SELECTION FACTORS

The consultant obtained site selection data from the 26th annual survey of site selection decision makers published by *Area Development Magazine*, a site and facilities planning publication. The information in Table 5-2 shows a score-based ranking of the top site selection factors for the years 2007 through 2011 as identified by a sampling of America's corporate executives. The factors are ranked by their five-year average scores, with the overall change in the ranking (2007 to 2011) also presented. Although not specific to any one area, the results of this effort indicate those factors that are most important when a company is considering relocation/expansion. This analysis helps to identify those attributes of Oconee County to highlight, in terms of marketing efforts, as well as identification of attributes that may need to be improved.

The results of the survey indicate that highway accessibility and labor costs continually rank at the top of the list, although both have diminished somewhat in importance since the 2007 ranking. Both of these factors are related to long-term operations costs. Other factors that could significantly impact long-term operation costs include the availability of a skilled labor force (4th) and energy availability and costs (6th). Other factors, which may be more closely tied to start-up costs, are all related to financing and incentives, including occupancy or construction costs (3rd), tax exemptions (5th), state and local incentive (7th) and the corporate tax rate (8th). These latter three factors have all risen in importance since 2007 as site selection criteria.

Table 8-2
Top Site Selection and Quality of Life Criteria
Area Development Magazine

| Rank | Criterion | 2007 | 2008 | 2009 | 2010 | 2011 | Average | 2011 - 2007 |
|--------------------------------|--|------|------|------|------|------|---------|-------------|
| SITE SELECTION FACTORS | | | | | | | | |
| 1 | Highway Accessibility | 96.9 | 95.4 | 92.9 | 97.3 | 93.8 | 95.3 | (3.1) |
| 2 | Labor Costs | 92.3 | 91.4 | 96.7 | 91.0 | 88.4 | 92.0 | (3.9) |
| 3 | Occupancy or Construction Costs | 88.2 | 90.4 | 86.7 | 89.8 | 85.9 | 88.2 | (2.3) |
| 4 | Availability of Skilled Labor | 88.7 | 87.7 | 86.9 | 85.9 | 88.4 | 87.5 | (0.3) |
| 5 | Tax Exemptions | 82.8 | 88.6 | 88.4 | 90.9 | 83.6 | 86.9 | 0.8 |
| 6 | Energy Availability and Costs | 89.0 | 87.9 | 88.0 | 82.1 | 84.8 | 86.4 | (4.2) |
| 7 | State and Local Incentives | 83.4 | 87.2 | 84.9 | 89.3 | 85.9 | 86.1 | 2.5 |
| 8 | Corporate Tax Rate | 83.8 | 85.3 | 87.0 | 86.3 | 86.0 | 85.7 | 2.2 |
| 9 | Inbound/Outbound Shipping Costs | N/A | N/A | 81.7 | 84.0 | 79.2 | 81.6 | NA |
| 10 | Low Union Profile | 80.6 | 82.7 | 75.8 | 75.4 | 81.0 | 79.1 | 0.4 |
| 11 | Availability of Buildings | 79.3 | 80.8 | 75.7 | 81.0 | 76.3 | 78.6 | (3.0) |
| 12 | Availability of Land | 85.4 | 82.0 | 75.7 | 73.4 | 73.9 | 78.1 | (11.5) |
| 13 | Proximity to Major Markets | 82.8 | 78.7 | 73.3 | 66.4 | 83.0 | 76.8 | 0.2 |
| 14 | Environmental Regulations | 83.2 | 76.1 | 71.2 | 74.8 | 76.4 | 76.3 | (6.8) |
| 15 | Availability of Advanced ICT Services | 82.2 | 55.5 | 83.2 | 72.9 | 76.6 | 74.1 | (5.6) |
| 16 | Right-To-Work-State | 72.1 | 76.6 | 74.0 | 67.9 | 77.5 | 73.6 | 5.4 |
| 17 | Expedited or "Fast-Tracked" Permitting | 71.5 | 72.5 | 72.2 | 68.2 | 72.4 | 71.4 | 0.9 |
| 18 | Proximity to Suppliers | 71.8 | 69.2 | 63.9 | 63.6 | 67.8 | 67.3 | (4.0) |
| 19 | Availability of Long-Term Financing | 63.0 | 64.2 | 65.4 | 58.5 | 70.0 | 64.2 | 7.0 |
| 20 | Raw Material Availability | 62.5 | 56.8 | 57.0 | 61.5 | 52.8 | 58.1 | (9.7) |
| 21 | Training Programs | 56.6 | 62.3 | 61.7 | 56.7 | 50.6 | 57.6 | (6.0) |
| 22 | Availability of Unskilled Labor | 65.2 | 62.9 | 55.5 | 45.4 | 58.9 | 57.6 | (6.3) |
| 23 | Accessibility of Major Airport | 54.4 | 53.3 | 49.0 | 50.0 | 55.7 | 52.5 | 1.3 |
| 24 | Proximity of Technical University | 32.7 | 38.4 | 36.7 | 36.1 | 40.2 | 36.8 | 7.5 |
| 25 | Railroad Service | 38.1 | 27.2 | 27.4 | 36.0 | 33.6 | 32.5 | (4.5) |
| 26 | Waterways or Oceanport Accessibility | 15.2 | 15.7 | 17.7 | 21.9 | 24.5 | 19.0 | 9.3 |
| QUALITY-OF-LIFE-FACTORS | | | | | | | | |
| 1 | Low Crime Rate | 74.0 | 78.2 | 79.0 | 86.4 | 82.0 | 79.9 | 8.0 |
| 2 | Healthcare Facilities | 57.4 | 77.6 | 68.4 | 72.2 | 71.0 | 69.3 | 13.6 |
| 3 | Housing Costs | 58.8 | 67.1 | 61.5 | 68.4 | 69.0 | 65.0 | 10.2 |
| 4 | Housing Availability | 62.1 | 66.2 | 62.4 | 66.4 | 64.1 | 64.2 | 2.0 |
| 5 | Ratings of Public Schools | 62.6 | 65.7 | 61.4 | 61.2 | 68.8 | 63.9 | 6.2 |
| 6 | Climate | 51.6 | 56.0 | 55.0 | 56.3 | 52.2 | 54.2 | 0.6 |
| 7 | Colleges and Universities in Area | 47.3 | 55.3 | 50.7 | 53.2 | 56.6 | 52.6 | 9.3 |
| 8 | Recreational Opportunities | 43.4 | 48.6 | 52.7 | 48.2 | 52.2 | 49.0 | 8.8 |
| 9 | Cultural Opportunities | 48.7 | 46.4 | 46.0 | 48.7 | 42.8 | 46.5 | (5.9) |

Source: Area Development Magazine and RKG Associates, Inc., 2012

Of the top 26 criteria identified in the table, Oconee County's positioning is considered to be positive within many of the categories from a marketability standpoint. Brief synopses of some key criteria are noted below.

- Energy Availability and Costs – due to the presence of Duke Energy's nuclear power plant & the Blue Ridge Electric Cooperative, energy costs are some of the lowest in the nation
- Availability of Skilled Labor – there is a good supply of highly skilled, white collar workers in the three-county, Workforce Investment Board (WIB) region that includes Oconee County. However, high skilled, blue collar workers are

somewhat less abundant but the pool of semi-skilled labor, both blue and white collar, offers potential for recruiting and training to fill jobs on an as-needed basis. This approach necessitates that adequate job training programs are available.

- Labor Costs – wages in Oconee County are reportedly higher than those in the WIB and the state as a whole. As of 2012, the county’s average wage rate was 20% higher than the state’s and 10% higher than the WIB’s.
- Railroad Service – the county is traversed by approximately 25 miles of rail line that are part of the Norfolk Southern network, affording ability for transport of bulky and raw materials, as well as providing linkage to the Port of Charleston.
- Waterways/Oceanport Accessibility – the Port of Charleston, one of the busiest container ports on the East Coast and the seventh largest container port in the United States, is within 4 ½ hours (250 miles) by highway. As noted previously, the county also has rail access to the Port via the Norfolk Southern network. As an incentive to increase port use the state offers an income tax credit to entities that increase base port cargo volume by 5% over base year totals. A company must meet minimum cargo tonnage thresholds to qualify for these credits.
- Proximity of Technical University – Clemson University’s advanced materials research facilities offer opportunities for knowledge exchange and commercialization of products. Additionally, Tri-County Technical College provides a wide array of workforce, technical, and job skills training.
- Tax Exemptions – although the county is limited largely in its ability to both levy business taxes (primarily property and sales taxes) there are a number of exemption/abatement options available at the state level including Job Development Credits, Income Tax Moratorium, Job Tax Credit, Corporate Headquarters Credit, Child Care Tax Credits, Research and Development Credits, Property Tax Abatement, Fee-in-lieu of Property Taxes and Sales Tax Exemptions.
- Corporate Tax Rate – the State of South Carolina’s corporate tax rate is 5%. This rate is very competitive with most other states placing it amongst the best rates in the nation.
- Highway Accessibility – the county’s “foothold” on Interstate 85 is certainly a plus from an accessibility standpoint. However, the limited highway frontage/interchange access means the county will need to make extra efforts to enhance and market the limited land resources that can take direct advantage of the highway.
- Accessibility of Major Airport – the county is within one hour of the Greenville-Spartanburg International Airport which offers commercial and freight air services to numerous regional hubs across the country. The county also operates the Oconee County Regional Airport which can accommodate corporate turbine aircraft and single-engine planes.
- Availability of Buildings/Land – although the county has made a solid start with providing shovel-ready development sites and construction of shell buildings, the supply is limited and less accessible in comparison to neighboring counties. Available/vacant building square footage is also limited and less competitive from a modernization standpoint.

D. QUALITY OF LIFE FACTORS

The quality of life analysis examines the qualitative aspects of economic development. When performing a target industry analysis, it is important to understand the criteria that companies look for when deciding where to locate. This analysis focuses on the top five quality of life factors reported in the annual survey of site selection decision makers by *Area Development Magazine*.

1. Crime

A low crime rate was ranked as the top quality of life criteria. As shown in Table 5-3, Oconee County's crime rates tend to be lower than the state as a whole. Overall, total crime in the county decreased marginally (2.7%) between 2007 and 2010, according to statistics compiled by the State's Law Enforcement Division. However, there was a one-year increase of nearly 40% in total reported incidences for 2009-10. In addition, some of the violent crime indices, such as rape and aggravated assault, do offer some reasons for particular concern. It is not unusual for crime rates to be somewhat escalated in light of existing economic conditions throughout the country. However, it will be important for the county to be vigilant that crime levels do not begin to represent a "red flag" from an economic development perspective.

Table 5-3
Crime Statistics 2007-2010
Oconee County

| | 2007 | 2008 | 2009 | 2010 | 2010 Rate* | |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | | | | County | State |
| Murder | 0 | 3 | 2 | 3 | 0.4 | 0.57 |
| Forcible Rape | 33 | 31 | 40 | 43 | 5.8 | 3.4 |
| Robbery | 40 | 28 | 20 | 19 | 2.6 | 10.7 |
| Aggravated Assault | 353 | 331 | 253 | 325 | 43.8 | 46.3 |
| Violent Crime | 426 | 393 | 315 | 390 | 52.5 | 61 |
| Burglary | 508 | 596 | 432 | 588 | 79.2 | 99.5 |
| Larceny | 1,367 | 1,390 | 902 | 1,231 | 165.7 | 259.8 |
| Motor Vehicle Theft | 141 | 133 | 79 | 166 | 22.3 | 29.1 |
| Property Crime | 2,016 | 2,119 | 1,413 | 1,985 | 267.3 | 388.3 |
| Total | 2,442 | 2,512 | 1,728 | 2,375 | | |

*Per 10,000 residents

Source: South Carolina State Law Enforcement Division

2. Healthcare Facilities

The Oconee area is well served from a healthcare perspective with regards to availability and accessibility of hospital facilities. As shown in Table 5-4 there are eight hospitals within the four-county region that reportedly support just over 2,000 staffed beds. Oconee County's primary facility is the Oconee Medical Center in Seneca, a 160 bed

Table 5-4
Regional Hospital Facilities

| Hospital | County | Staffed Beds | Total Discharges |
|--------------------------------|------------|--------------|------------------|
| AnMed Health | Anderson | 410 | 20,765 |
| Cannon Memorial Hospital | Pickens | 55 | 1,070 |
| Greenville Memorial Hospital | Greenville | 869 | 40,361 |
| Hillcrest Memorial Hospital | Greenville | 43 | 1,763 |
| Oconee Medical Center | Oconee | 160 | 6,669 |
| Palmetto Health Baptist Easley | Pickens | 88 | 5,273 |
| Patewood Memorial Hospital | Greenville | 72 | 1,200 |
| Saint Francis Downtown | Greenville | 338 | 18,908 |

Source: Hospitals-Data.com

acute care hospital, with a staff of 1,400 that includes approximately 125 physicians. In addition to the hospital, the county also hosts the Oconee County Geriatric Center, Oconee Dialysis Center, and the Seneca Health and Rehabilitation Center, all located in Seneca. Given the availability of these facilities, as well as the regional facilities located within an hours drive, Oconee County should be considered as providing area businesses and

residents with very good access to quality healthcare, the second most important quality of life factor included in the site location factors survey.

3. Housing Costs and Availability

Housing costs and housing availability were ranked as the third and fourth most important quality of life criteria in the site selection survey as shown in Table 5-2. A detailed analysis of housing market conditions in Oconee County was presented in Chapter 4 of this report, the findings of which are summarized here. From a regional perspective Oconee's housing prices are relatively affordable with a 2011 median rent of \$642 and a 2012 average single family home sale price of approximately \$199,000. Housing availability is also good given the estimated rental vacancy rate of between 7% and 8% with some 1,000 single family homes and condominiums listed as for-sale, about 4% of the owner-occupied supply.

The issues that present some obstacles in the county with regards to housing are the supply of apartment rentals and housing costs in relation to area income levels. Census estimates indicate that 49% of renters are paying in excess of 30% of their gross income towards housing costs and another 14% are paying between 25% and 30%. Although these cost levels are not uncommon within the region it is an indication that wages and income levels are not keeping pace with inflation. Furthermore, estimates of mortgage costs indicate that households making at or below the median income (\$38,350) in Oconee County could afford a home purchase price of up to \$75,000 and not exceed the 30% threshold. Although there is a considerable supply of homes at this value level, new construction costs are dramatically higher. In addition, the lack of apartment construction in the county has resulted in a greater use of single family homes to support the rental market. This results in higher rental costs and potentially negative impacts on the availability and quality of units that would normally be used as owner housing.

4. Ratings of Public Schools

A good public school system can play a significant role in providing a solid foundation for a community's economic development program. The K-12 education is important for training students in the basic skill sets required by employers for entry-level and semi-skilled positions. Maintaining high academic standards and rankings for the county's school district are also important as a community attribute since they are likely to be a job-acceptance factor for potential employees considering relocation from outside the county.

There are many factors that contribute to achieving good school system results which are difficult to capture in a single metric. One indicator that is often used are standardized test scores since they allow comparability with other school districts. Table 5-5 illustrates a comparison of recent Scholastic Aptitude Test (SAT) results for public schools in Oconee County, South Carolina, and the country as a whole. The one-year difference in composite scores show a minor decrease in all locations with Oconee's (-19) somewhat exceeding the state's and country's. However, Oconee's average composite scores as a percentage of the state (102%) and national (98%) scores indicates that the County's school districts are generally performing on par with overall testing standards.

Oconee County students performed equally as well on the most recent ACT testing. The ACT is a national college admissions examination that consists of subject area tests in English, mathematics, reading, and science. In 2012, graduating seniors in the county had an average composite score of 21, in comparison to 20.2 for the state and 19.9 for the country. Although the county’s score did decrease from 21.6 to 21 over the past year it still slightly outperformed other school districts around the country overall.

Table 5-5
 Mean SAT Scores for Graduating Seniors 2012 with Comparison to 2011 Results
 Oconee County, South Carolina and the United States

| Public Schools | % Tested | 2012 | | | Average Composite Scores | | |
|----------------------|----------|---------|------|---------|--------------------------|-------|------------|
| | | Reading | Math | Writing | 2011 | 2012 | Difference |
| United States | — | 491 | 505 | 481 | 1,481 | 1,477 | -4 |
| South Carolina | 52% | 477 | 487 | 458 | 1,427 | 1,422 | -5 |
| Oconee County | 42% | 488 | 498 | 460 | 1,464 | 1,446 | -19 |
| County as % of US | — | 99% | 99% | 96% | 99% | 98% | — |
| County as % of State | — | 102% | 102% | 100% | 103% | 102% | — |

Source: South Carolina Dept. of Education

Finally, it should be noted that the Oconee County school district received an overall rating of Excellent from the State of Carolina’s annual Report Card program administered by the Department of Education.

This highest of ratings indicates school performance that substantially exceeds the standards for progress toward the 2020 SC Performance Vision which has a goal statement indicating that by 2020 all students will graduate with the knowledge and skills necessary to compete successfully in the global economy, participate in a democratic society and contribute positively as members of families and communities.

E. REGIONAL CLUSTER ANALYSIS

1. Overview

The regional cluster analysis process “casts a wide net” in regards to identifying potential target industries. Taking a more aggressive approach to identifying possible business targets for Oconee County provides greater flexibility for the implementation entity to determine the priorities for business recruitment. In this context, aggressive means that the screening process was inclusive rather than exclusive relative to potential opportunities that may appear marginal in light of historical economic trends. Being inclusive at this phase ensures any potentially viable options can be tested before being eliminated.

Furthermore, the target industry lists move beyond just static targets. They identify vertical (supply-chain) and horizontal (market) relationships within the primary target markets. By taking this approach, the implementation entity can apply a comprehensive approach to building upon existing industry clusters and developing new ones. This is particularly

important when targeting businesses that already have a relationship with an existing regional industry and/or business. In these cases, the local business leaders can work as ambassadors for the community, opening the dialogue between the prospect and the County.

2. Industry Screening

Industry cluster analyses involve examining the economic relationships among commercial and industrial sectors. From the cluster analysis, RKG Associates identified those industries that may enjoy a competitive advantage within the greater Oconee region², but would also benefit from Oconee's strategic location. The underlying assumption of the cluster analysis is that companies concentrate in areas where they enjoy some competitive advantage. These advantages, whether related to location, natural resources, vendor relationships or other factors, allow companies to compete more successfully.

An industry cluster is a group of companies in industries that are related in one of three ways:

- *Buyers and Suppliers* – the most common relationship
- *Competitors* – producers of same or similar goods and service, usually firms in the same or similar industries
- *Shared Resources* – companies that rely on the same location- specific resources such as labor and raw materials

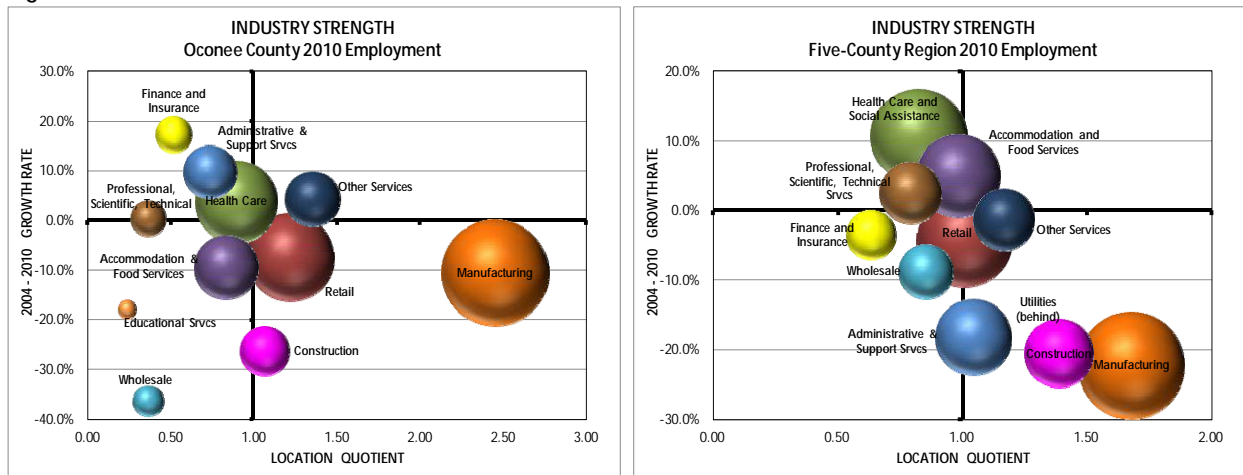
A relative measure of how a local economy is performing can be estimated by comparing employment growth for specific industry sectors to that of a larger economy. This measurement, which is represented as a ratio, is referred to as a Location Quotient (LQ). If the LQ is near 1.0, it indicates that the county has a comparable proportion of its employment base in a given sector to that of the larger area, which in this case, is the United States as a whole. If the ratio is less than 1.0, then the county is under-performing in that industry sector relative to the country while an LQ greater than 1.0 indicates a better performance by the county overall. In this analysis, the LQ's, and their respective growth rates, were developed based on employment changes between 2004 and 2010.

Figure 5-1 illustrates the Location Quotients for Oconee County and the greater five-county region as of 2010. The size of the bubbles represents total employment, their position from left to right indicates their LQ for 2010, and their position from top to bottom indicates growth rate between 2004 and 2010. (Note: Not all sectors are presented in the figure; those that represented relatively small components of the economy, or which have very low LQs, have been omitted. These include Transportation and Warehousing, Information, Real Estate and Rental and Leasing, Management of Companies and Enterprises, and Arts, Entertainment, and Recreation).

Some of the comparative findings illustrated by the data presented in Figure 8-1 are as follows:

² The greater Oconee region includes the five counties of Oconee, Anderson, Pickens, Greenville, and Abbeville.

Figure 5-1



- Manufacturing is a very strong sector for both the county and region. Employment has declined in both locations but the county's losses have been more moderate suggesting a greater resiliency in the local economy's business diversity and/or types of products produced.
- Healthcare is a strong component of both the local and regional economies but the county's LQ is more in line with national employment levels and slightly higher than the region's. However, the region's growth in Healthcare has outpaced the county's indicating that Oconee may be able to capture a larger proportion of overall employment in this sector. There may be untapped potential at the county level to grow in the regional Biosciences cluster.
- The Accommodations & Food Services sector performs considerably better at the regional level as compared with the county's LQ and employment growth over the decade. The region's LQ is essentially equivalent to the nation's and it has experienced modest employment growth during this time period. In comparison, the county has a lower LQ and negative employment growth. Although the region's offerings in this sector are always likely to be broader than the county's, the data suggests there may be opportunity for Oconee to improve its performance within this area.
- Professional, Scientific and Technical Services is an underperforming sector for both the county and region in comparison to national employment levels. Both areas have an LQ below 1.0 and little to no employment growth over the past decade. Given Oconee's limited office and flex-space inventory, particularly in structures containing larger amounts of square footage, it is unlikely that this sector will experience any significant growth, especially with the existing high vacancy levels in the regional office market, except possibly as a component of another targeted cluster such as Advanced Materials Manufacturing.
- The Wholesale sector is relatively weak at both the county and regional levels but Retail is strong despite having lost some employment over the past decade.

- The Finance and Insurance sector is a relatively small component of both the county and regional economies and both have LQs below the national employment levels. The county's employment in this sector expanded over the decade in contrast to regional losses but, similar to Professional and Technical Services, it is unlikely that growth in the financial services will generate any significant future demand for office space in the county.

3. Recommended Targeted Industry Clusters

Industry cluster analysis provides a method for determining local competitive advantage – which in turn is crucial in attracting investment, be it through attracting new firms or expansion of existing firms. The industry cluster analysis presented in this report relied on a statistical identification process designed to incorporate and assimilate local/regional, state, and national economic data. The fundamental criteria analyzed in the process include:

- *Industry Concentration* – RKG Associates examined current concentrations of each industry in the greater Oconee region using the previously described, Location Quotient ratio (LQ). A higher LQ, either at the local or regional level, indicates a strong employment and business base upon which to build economic development efforts. Conversely, a lower concentration of employment suggests that a given industry may not be well suited for the county or may be in decline and not supportable in the long-term.
- *Industry Growth* – Industries with positive growth over the past six years (2004-2010) and those that are most likely to grow both locally and regionally.
- *Industry Size* – Component industries of an industry cluster must have sufficient size in terms of total employment, number of establishments and total sales in order to justify their inclusion in the cluster.
- *Regional Target* – Industry sectors/clusters that have been targeted within the broader region by the Upstate Alliance and/or the state, have been given higher priority in this analysis as a county cluster since they either already have a strong presence in the region (but not necessarily in the county) and/or, will be the focus of future marketing efforts by regional and state economic development organizations.
- *Local Fit* – The Local Fit includes both quantitative analysis and considerable professional judgment, based on community characteristics, industry preferences, specific industry composition and location-based activity. Based on weighted values of the four criteria noted above, as well as professional judgment, each industry sector has been given a ranking of very strong, strong, moderate, or stable.
- *Other Criteria* – Includes an assessment of local infrastructure such as the presence, cost and accessibility of highways, railroads, utilities, telecommunications systems, and the match of the region's labor force profile with industry needs.

Using the criteria described above, industry clusters recommended for further recruiting efforts by the county are summarized in Table 5-6 and described below.

Table 5-6
Priority Target Industry Clusters
Oconee County

| Target Industry Clusters | | Oconee County | | Employment Growth Rate 04-10 | | Regional | |
|--|--|-----------------|-------|------------------------------|--------|----------|-------------|
| NAICS | Description | Employment 2010 | LQ | County | Region | Target | Local Fit |
| #1 - HEALTHCARE & BIOSCIENCE/BIOMECHANICS MANUFACTURING | | | | | | | |
| 621 | Ambulatory Health Care Services | 1,028 | 1.01 | 26.0% | 12.2% | Yes | Very Strong |
| 622 | Hospitals | 783 | 0.84 | -24.1% | 3.8% | No | Strong |
| 623 | Nursing and Residential Care Facilities | 557 | 1.04 | 24.1% | 12.1% | No | Very Strong |
| 624 | Social Assistance | 259 | 0.58 | 11.2% | 24.5% | No | Very Strong |
| 541 | Professional, Scientific, and Technical Services | 470 | 0.36 | 0.4% | 2.6% | Yes | Very Strong |
| 325 | Chemical Manufacturing | 302 | 2.53 | -9.6% | -6.2% | Yes | Very Strong |
| 334 | Computer and Electronic Product Manufacturing | 789 | 5.43 | 8.8% | -29.0% | Yes | Very Strong |
| #2 - PRODUCT MANUFACTURING | | | | | | | |
| 313 | Textile Mills | 9 | 0.50 | -96.9% | -51.9% | Yes | Strong |
| 314 | Textile Product Mills | 6 | 0.33 | -96.6% | -68.7% | Yes | Strong |
| 326 | Plastics and Rubber Products Manufacturing | 338 | 3.06 | -24.6% | -11.4% | Yes | Very Strong |
| 327 | Nonmetallic Mineral Product Manufacturing | 29 | 0.51 | -46.3% | -20.7% | Yes | Strong |
| 333 | Machinery Manufacturing | 814 | 5.30 | 133.2% | -1.3% | Yes | Very Strong |
| 331 | Primary Metal Manufacturing | 104 | 1.79 | 57.6% | -18.6% | Yes | Strong |
| 332 | Fabricated Metal Product Manufacturing | 416 | 1.97 | -12.1% | -15.0% | Yes | Very Strong |
| 334 | Computer and Electronic Product Manufacturing | 789 | 5.43 | 8.8% | -29.0% | Yes | Very Strong |
| 335 | Electrical Equipment, Appliance, and Component Manufacturing | 494 | 9.08 | 51.1% | -13.6% | Yes | Very Strong |
| 541 | Professional, Scientific, and Technical Services | 470 | 0.36 | 0.4% | 2.6% | Yes | Very Strong |
| #3 - AUTOMOTIVE MANUFACTURING | | | | | | | |
| 336 | Transportation Equipment Manufacturing | 497 | 2.50 | -26.8% | -20.2% | Yes | Very Strong |
| 332 | Fabricated Metal Product Manufacturing | 416 | 1.97 | -12.1% | -15.0% | Yes | Very Strong |
| 335 | Electrical Equipment, Appliance, and Component Manufacturing | 494 | 9.08 | 51.1% | -13.6% | Yes | Very Strong |
| 339 | Miscellaneous Manufacturing | 510 | 5.53 | -20.2% | -6.4% | Yes | Strong |
| 423 | Merchant Wholesalers, Durable Goods | 264 | 0.51 | -43.7% | -14.8% | Yes | Strong |
| 484 | Truck Transportation | 23 | 0.11 | -59.6% | -32.9% | No | Moderate |
| 493 | Warehousing and Storage | 77 | 0.71 | -40.3% | 116.5% | Yes | Very Strong |
| #4 - ENERGY-RELATED MANUFACTURING | | | | | | | |
| 221 | Utilities | 1,505 | 14.27 | -20.7% | -18.8% | Yes | Very Strong |
| 237 | Heavy and Civil Engineering Construction | 153 | 1.10 | -15.9% | 6.9% | Yes | Very Strong |
| 238 | Specialty Trade Contractors | 612 | 1.09 | -22.5% | -30.2% | Yes | Strong |
| 541 | Professional, Scientific, and Technical Services | 470 | 0.36 | 0.4% | 2.6% | Yes | Very Strong |
| 327 | Nonmetallic Mineral Product Manufacturing | 29 | 0.51 | -46.3% | -20.7% | Yes | Strong |
| 335 | Electrical Equipment, Appliance, and Component Manufacturing | 494 | 9.08 | 51.1% | -13.6% | Yes | Very Strong |
| 333 | Machinery Manufacturing | 814 | 5.30 | 133.2% | -1.3% | Yes | Very Strong |
| #5 - WAREHOUSING, LOGISTICS, DISTRIBUTION | | | | | | | |
| 423 | Merchant Wholesalers, Durable Goods | 264 | 0.51 | -43.7% | -14.8% | Yes | Strong |
| 484 | Truck Transportation | 23 | 0.11 | -59.6% | -32.9% | No | Moderate |
| 493 | Warehousing and Storage | 77 | 0.71 | -40.3% | 116.5% | Yes | Very Strong |
| 488 | Support Activities for Transportation | 10 | 0.10 | -23.1% | -77.1% | No | Stable |

Source: County Business Patterns 2011 and RKG Associates

Target Industry Cluster #1 – Healthcare & Bioscience/Biomechanical Manufacturing

The healthcare sector is an important component of the regional economic base. Healthcare-related jobs accounted for 14% of all employment within Oconee County, totaling approximately 2,600 as of 2010. The majority of this employment is related to ambulatory care (doctor's offices and clinics) as well as hospital operations. However, significant employment is also found in the nursing care and social services subsectors, as shown in Table 5-6.

From a growth perspective, healthcare is one of the strongest industries in both Oconee County and the broader region. Between 2004 and 2010, the healthcare and social service sector was one of the few sectors that experienced a net growth adding over 4,600 jobs

within the five-county region representing a growth rate of 10.7%. Oconee's growth during this time period was a bit more measured adding 98 jobs at a growth rate of 3.9.

Given the existing employment concentration and historical growth of the local and regional healthcare sector, it is considered to be a very strong Local Fit as a target cluster for the county. Initial opportunities for expansion are likely to lie in existing services such as expansion of doctor's offices, hospital facilities and nursing care. Oconee County, like many areas of the country, has an aging population that will increase the demand for medical services if they elect to remain in the community as they grow older. Along with increasing geriatric care, there may be other opportunities to expand specialized treatment facilities based on further strategic planning with area healthcare leaders.

A second, and perhaps more long-term potential opportunity within this target cluster, lies in the biosciences and bio-manufacturing sectors. This focus within the healthcare cluster relates to the identified regional targets that seek to grow in areas such as manufacturing of pharmaceuticals and medical devices, research and testing, and bio-agriculture. Within these niche areas the most viable options for the Oconee County are considered to be the manufacturing of pharmaceuticals and medical devices given that the county has an existing industry base in chemical and other types of manufacturing and also has a skilled manufacturing labor force.

Although the potential for research and testing is also present given the proximity of Clemson University and their various research-related areas that include genetics, molecular biology, and nanotechnology. Establishing a medical research component within the county's target industry efforts would require a substantial investment in strategic marketing and recruitment, as well as in facilities development. Therefore, this niche might be pursued as a second phase if the county is first successful in attracting medical-related manufacturing firms.

Target Industry Cluster #2 – Product Manufacturing

The manufacturing sector continues to be both the county's and the region's single largest employment sector. As of 2010, there were 4,400 manufacturing jobs in Oconee County representing 24% of its total private-sector employment. Within the five-county region, manufacturing jobs totaled over 51,400 and accounted for 16% of total employment. In Oconee County, there are a number of strong subsectors within the industrial grouping including plastics and rubber, fabricated metals, computer and electronics, and electrical equipment, as shown in Table 5-6.

Over the past decade the manufacturing sector has been experiencing employment losses as establishments transition from older products and techniques to newer ones. Overall, the county lost about 10% of its base (500 jobs) while the region's employment declined by 22% losing over 14,000 jobs. Still, despite these losses, there are a number of local and national indicators, that manufacturing employment likely will grow in a number of ways as companies reconsider off-shore options in favor of being closer to destination markets, as in targeting smaller production runs and new, high-tech products. It should also be noted that, despite overall employment losses, Oconee County's manufacturing base remained

strong in a number of subsectors, including primary metal manufacturing, computer and electronics, and electrical equipment manufacturing which all had positive job growth and strong LQs indicating high concentrations of jobs.

In lieu of the factors noted above, product manufacturing is considered to be a very strong fit for target industry recruitment efforts within the county. This will largely be a continuation of previous efforts but should not be overlooked due to the relative strength exhibited by historical growth rates. The county should, to the extent possible, insure that existing businesses can attract and retain an adequate supply of labor, have sufficient infrastructure to grow their operations, and obtain available financial incentives. Encouraging the construction of new manufacturing facilities through regulatory policies, infrastructure and roadway expansion, and public private partnerships should be continued. Promoting use of the Norfolk Southern rail line, which has access to the Port of Charleston and the proposed Upstate inland port, could also help to grow and attract manufacturing within the County.

A second aspect for consideration by the county with regard to this target cluster is the potential for attracting advanced materials manufacturers. Although not largely prevalent in the county at this time there is potential to build upon the existing manufacturing base in areas such as plastics, textiles, and fabricated metals and electronic/electrical components to capture a share of the regional targeting efforts around these niche clusters. Again, the proximity of Clemson University at its numerous advanced materials technology research centers can be a strong asset for firm recruitment as well as the presence of numerous companies, such as BASF, Collins Craft Corp., Altera Polymers, Dixie Aluminum, and others, that are presently producing, or have the potential to produce, these types of products.

Target Industry Cluster #3 – Automotive Manufacturing

The automotive manufacturing sector has undergone significant upheaval throughout the country, particularly over the past five years. However, there are positive signs in the industry that it is emerging as a smaller, but more efficient and focused manufacturing and employment sector. Despite losses at the national level, automotive manufacturing has remained a solid component of both the local and regional economies within the greater Oconee County area.

As illustrated in Table 5-6, there have been employment losses in Oconee and the five-county region over the past decade in this cluster. The county's primary subsector in this cluster, transportation equipment manufacturing, has declined by 26% while the region lost 20% of its employment in this category. Other related subsectors also incurred losses at the county level with the exception of electrical equipment/components manufacturing. Despite these losses, the cluster has a high concentration with an LQ of 2.5 and 1.8 respectively, within the county and region.

The Local Fit for this cluster is considered to be strong for a number of reasons. These include existing local firms such as BorgWarner, Johnson Controls, Parkway Products, and U.S. Engine Valve, as well as the presence of BMW, Michelin, and other leading industry

firms in the region, the pending Caterpillar facility in Athens-Clarke County, the existence of Clemson University's International Center for Automotive Research (CU-ICAR), and the availability of a skilled manufacturing workforce. Given these and other factors, this cluster continues to hold potential for future business and employment growth in progressive niche markets that are emerging within the industry. These would include advanced materials manufacturing to make vehicles lighter and stronger, technology to make the more fuel efficient (hybrids or zero emissions vehicles) and "smarter", as well as the manufacturing of conventional components that are now commonly produced by a chain of tiered suppliers.

Furthermore, this cluster has also been identified as a regional priority by the Upstate Alliance. Therefore, any efforts by the county to market and recruit towards business in this cluster could be dovetailed with regional activities.

Target Industry Cluster #4 – Energy-Related Manufacturing

Providing a reliable and sustainable supply of energy has been, and will continue to be, a primary concern for the nation's economy. Like many industrial sectors across the country, the production and management of our energy sources and distribution systems are undergoing fundamental and long-term changes. Traditional sources, such as oil and natural gas, appear are experiencing a resurgence do to the development of new supplies and extraction methods (e.g. fracking). Efforts to expand renewable and sustainable sources such as solar, wind, and nuclear, are also growing, albeit slowing, due to concerns about global warming and insuring the nation's energy self-sufficiency. Utility networks are also being more regularly scrutinized to make them more efficient and conservation-oriented through new technologies.

The region's energy cluster is primarily centered around the nuclear power industry which has as one of its primary driver, Duke Energy's plant and facilities in Oconee County. Other related firms included Ulbrich Precision Flat Wire, Itron Inc., ITT Control Technologies, Dynamic Fluid Components, and the Blue Ridge Electrical Co-op. Although employment has declined in the local and regional utilities sector over the past decade it continues to support a very large concentration in the county and region with respective LQs of 14.27 and 1.36. Employment in the utilities sector in Oconee County was approximately 1,500 as of 2010, representing about 8% of the county's total employment base.

Overall, the Local Fit is very strong for this cluster as well as its subsectors, and the cluster has also been designated as a regional target industry priority by the Upstate Alliance. Opportunities for growing this cluster are expected to be found in three or four niche areas. These will include the manufacturing of mechanical and electronic components for renewable energy technologies, components for the nuclear energy industry as well as the electrical distribution system, and the development of new technologies to support the energy sector as a whole. This latter niche is related to the county's and region's knowledge base that is represented in the professional, technical, and scientific industrial sector, as illustrated in Table 5-6. Also included in this cluster are sectors related to the construction of buildings and facilities related to the energy sector, as well as the manufacture of components from raw materials. However, both of these areas would most likely represent relatively small components of overall employment growth within the cluster.

Target Industry Cluster #5 – Warehousing, Logistics, Distribution

The warehousing, logistics, and distribution cluster is considered to be both a potential stand-alone cluster target for Oconee County, as well as an umbrella cluster that is related many other sectors in the region that require the storage and transportation of goods. The cluster has a strong existing presence in the region, particularly in the Greenville-Spartanburg-Anderson area, but is less prominent in Oconee County. The cluster's regional strength is derived from its highway and rail accessibility, proximity to a major airport and water port, and its central location between the larger markets such as Atlanta, GA, Raleigh-Durham, NC and Norfolk-Hampton-Newport News, VA. In addition, the region's numerous manufacturing firms also create significant demand for local warehousing facilities and transportation services.

The county's existing concentration and employment growth in this cluster is relatively low. However, the regional concentration is strong (LQ 1.99) and employment growth increased by 116% over the past decade adding almost 2,000 employees. As noted in the real estate analysis chapter of this report, there was approximately 8 million square of warehouse/distribution space in the region and 3.5 million square feet in Oconee County and market indicators suggest there is demand for additional construction.

The Local Fit for this cluster is not as strong as others previously discussed. This is primarily attributable to the fact that other counties in the region are better positioned than Oconee with regard to Interstate access and existing facilities/employment concentrations. However, given the strong regional demand, as well as the county's available highway and rail access, there is potential to capture some portion of future growth and expand this cluster above existing levels. Improving rail accessibility and demand would be one way to promote such growth. As noted previously in this chapter, the county's Norfolk Southern rail line has direct access to the Port of Charleston. This creates a possibility for more concentrated warehousing and logistics operations in the county. An example of this potential is found the Inland Port of Hampton Rhodes, Virginia which is a major warehousing/distribution hub that is located some 250 miles from the actual port. In addition, the South Carolina Ports Authority has reportedly recently voted to proceed with plans to build an inland port in Greer which is scheduled to open in September 2013. It is expected that this facility will allow companies such as BMW to more efficiently ship goods directly by rail to and from the Port of Charleston and eliminate more than 50,000 truck trips annually along the Interstate 26 corridor between Charleston and Greenville-Spartanburg. The plan, approved in August, would be financed by a \$25 million commitment from the Ports Authority, in addition to a \$7.5 million infrastructure investment by rail carrier Norfolk Southern. The port will be built on approximately 20 acres owned by the authority in Greer near the Greenville-Spartanburg International Airport at the intersection of U.S. Highway 290 and J. Verne Smith Parkway.³ Although Oconee County's more limited highway access might preclude a facility identical to this one, it highlights the potential for using rail to promoting growth in this cluster over the long-term. Establishing Foreign Trade Zone status for such a facility could also serve as a marketing incentive.

³ As reported online in the Taylors-WadeHampton Patch, August 2012

From a more short-term perspective, the County’s efforts to support development to the Golden Corner Commerce Park could serve to capture investment in the warehousing and distribution cluster since its location offers the best highway access for Oconee. A more long-term economic development strategy for the County includes developing water and sewer to Interstate 85 and expanding rail access at the former Propex site (now known as the Seneca Rail Site).

F. COLLABORATIVE TARGETS

In addition to the target industry clusters above, the analysis revealed the potential for Oconee County to expand economic activity in areas outside the responsibilities of the EDC. In these instances, the Consultant and local leadership recognize that the EDC should not lead these efforts, but can offer technical expertise in expanding operations in these areas. The two primary opportunities include agri-business and tourism development (Table 5-7).

Table 5-7
Priority Collaborative Industry Clusters
Oconee County

| #1 - AGRIBUSINESS | | | | | | | |
|---------------------------------------|---|-------|------|--------|--------|-----|-------------|
| 424 | Merchant Wholesalers, Nondurable Goods | 71 | 0.20 | 29.1% | 0.9% | No | Strong |
| 811 | Repair and Maintenance | 212 | 1.11 | -8.2% | -9.7% | No | Strong |
| 311 | Food Manufacturing | 7 | 0.03 | 16.7% | -3.9% | No | Stable |
| 115 | Support Activities for Agriculture and Forestry | 5 | 0.32 | 400.0% | -31.1% | No | Stable |
| 484 | Truck Transportation | 23 | 0.11 | -59.6% | -32.9% | No | Moderate |
| 493 | Warehousing and Storage | 77 | 0.71 | -40.3% | 116.5% | Yes | Very Strong |
| 339 | Miscellaneous Manufacturing | 510 | 5.53 | -20.2% | -6.4% | Yes | Strong |
| #2 - RECREATION, HOSPITALITY, TOURISM | | | | | | | |
| 711 | Performing Arts, Spectator Sports, and Related Industries | 9 | 0.13 | 200.0% | 128.9% | No | Very Strong |
| 712 | Museums, Historical Sites, and Similar Institutions | 1 | 0.05 | N/A | 850.0% | No | Moderate |
| 713 | Amusement, Gambling, and Recreation Industries | 170 | 0.71 | 47.8% | 3.8% | No | Strong |
| 721 | Accommodation | 83 | 0.28 | -17.0% | -6.4% | No | Moderate |
| 722 | Food Services and Drinking Places | 1,470 | 0.94 | -8.9% | 6.0% | No | Very Strong |
| 448 | Clothing and Clothing Accessories Stores | 53 | 0.21 | -49.5% | -7.3% | No | Moderate |
| 451 | Sporting Goods, Hobby, Book, and Music Stores | 63 | 0.70 | -13.7% | -22.3% | No | Moderate |
| 487 | Scenic and Sightseeing Transportation | 2 | 0.57 | N/A | -95.5% | No | Stable |

Source: County Business Patterns 2011 and RKG Associates

Collaborative Industry Cluster #1 – Agri-Business

Although not identified in the business and employment statistics analyzed for the overall cluster target industry assessment, the importance of agriculture as part of the county’s local economic base has been clearly established as part of the public input process. Based on the most recent Census of Agriculture⁴, the county had approximately 800 operating farms placing it roughly in the top quarter of counties in South Carolina in terms of total farms. However, the average farm size of 88 acres is relatively small in comparison to other counties with total land in farms reported as approximately 70,700 acres.

⁴ 2007 Census of Agriculture – County Data South Carolina, USDA, National Agricultural Statistics Service

The county has about 570 acres reportedly used as cropland but the largest component of its agricultural economy is in livestock operations, which account for half of the total farms. According to the Census, the county had a livestock and poultry inventory of some 15,600 animals, 9,700 of which were beef cattle and calves. County farms reportedly sold about 7,800 head of livestock and over 40 million chickens in the inventory year which had a total value of more than \$125 million, placing it near the top of gross agricultural revenues for counties in the state. In contrast, the value of crops sold in the county totaled just \$3 million which was one of the smallest total sales in the state.

This data illustrates that agricultural operations, particularly livestock, provide a notable contribution to the county's gross domestic product and serves to add diversity to the local economic base. As such, the county may want to consider exploring possibilities for providing support for these operations in several alternative activities. Typically, small farms sell their products to wholesalers for which they receive the lowest return on their investment. Therefore, any ways in which they can create value-added products would serve to increase direct revenues to individual farmers. Related to this issue is the fact that individual farms do not have the financial capability of creating and/or maintaining processing facilities, storage facilities, such as commercial freezers, for perishable goods, and the ability to pay for shipping of processed goods to various markets for final sale.

Given these considerations, the county may want to explore options for assisting local farmers, particularly livestock operations, which are likely to have the largest potential for increasing sales revenues from their operations. The first step in such a process would most likely be to conduct a survey of existing operations to determine how much estimated demand there might be for creating centralized processing, storage and distribution facilities amongst the county's farm operations. Establishing an agricultural incubator might prove to be practical which could offer shared kitchen/processing facilities for certain types of produce, as well as business training in developing and marketing value-added products. Developing a local abattoir for processing livestock could also help to augment local operations and allow these operations to sell greater quantities to local markets and capitalize on the farm to table movement. Similarly, shared freezer/storage facilities could assist along these lines as well. Future growth in the warehousing and distribution targeted cluster could also help to support agri-business economic development efforts in the county.

Collaborative Industry Cluster #2 – Recreation, Hospitality, Tourism

Developing a tourism and hospitality target cluster in Oconee County would be part of a long-term economic strategy since existing sector employment in this grouping is relatively small at this time. However, the County has natural resources, such as lakes, rivers, waterfalls, and mountains, as well as state parks and historic sites, and is essentially positioned as South Carolina's gateway to the Chattahoochee National Forest. These natural amenities provide opportunities for water-related activities such as boating, swimming, hiking, cycling, nature and scenery viewing, and camping, to name some. The Mountain Lakes Convention & Visitors Bureau and the Oconee County Parks, Recreation & Tourism Department presently provides marketing and information services for available resources and activities in Oconee County. Therefore, local efforts to enhance state programs might be geared towards expanding event-related activities, increasing available

businesses related to this cluster (such as lodging, camping, equipment sales/rentals), expanding entertainment and cultural activities that will encourage visitors to extend their stay in the area, and working with existing merchants and businesses to develop marketing strategies to capture increased revenues from visitors. One immediate opportunity is to work with the National Multiple Sclerosis Society on exploring the potential to host a Bike MS event in Oconee County.

Oconee County has a large supply of seasonally occupied housing that is primarily geared towards lake use. Efforts to market this housing pool as a rental supply for area visitors could help to encourage families to use Oconee for extended stays and use Oconee County as a “jumping off point” to visit other sites of interest in the broader region. Statistics compiled by the state⁵ indicate that a large percentage (approximately 35%) of overnight visitors to the state are in fact, staying in private homes. This suggests that Oconee would have a good opportunity to attract visitors if they are not presently using the seasonal housing supply.

The state’s annual statistics also provide a breakdown of the reasons that domestic visitors come to South Carolina. The largest percentage (40%) is coming to visit friends and relatives, followed by Other Pleasure/Personal (21%), and Entertainment/Sightseeing (10%). Visitation for Outdoor Recreation reportedly is the reason for only 8% of total trips to the state (Note: domestic visitors account for an estimated 90% of total visitation to the state). Therefore, while the county’s natural, outdoor amenities are plentiful, the total pool of potential visitors is relatively small. Given this conclusion, offering a more diversified and varied array of activities for visitors will be an important consideration for promoting this target industry cluster.

⁵ *Total Domestic Travels to South Carolina, 2009*, Department of Parks, Recreation and Tourism website statistics.

6 *IMPLEMENTATION STRATEGY*

A. INTRODUCTION

The Oconee County administration recognizes that a strategic plan for economic development is a critical component to improve the quality of life for Oconee County residents. Business retention and recruitment is a complex effort that requires coordination and cooperation from a number of stakeholders. For a community the size and scale of Oconee County, an effective economic development implementation plan will require participation from the utility companies, workforce and education providers, local businesses, financial institutions, community leaders, regional marketing partners, and state officials to name a few. Ultimately, the ability of Oconee County to leverage local resources efficiently will require buy-in and support from a number of entities that share the common goal of building a robust and healthy economy that is both diversified and sustainable.

RKG Associates, Inc. (RKG) worked with the Oconee County administration, the Oconee County Economic Development Commission (EDC) and a carefully organized steering committee representing strategic business, community, real estate and government entities. The resulting implementation strategy reflects the unified vision of these stakeholders to promote a coordinated, efficient program that utilizes County resources towards job creation and retention. More strategically, this plan provides the “road map” for the County to succeed in attracting private investment within a vibrant, but competitive regional market. The following plan incorporates short-, medium-, and long-term initiatives that will enable the County to take immediate action on certain tasks as well as take initial steps in the planning for long-term projects.

It is important to note that the Administration, EDC and steering committee recognize that the following action plan is aspirational, and reflects the long-term, comprehensive vision for Oconee County. The steering committee anticipates implementation of the entire program will be incremental over several years as additional resources become available. Through this process, RKG Associates and the EDC staff have identified opportunities Oconee County to implement more effective and efficient programs and policies to promote job retention, business expansion, and job recruitment. The plan is presented within context of a preferred phasing strategy that prioritizes actions and efforts.

B. PROPOSED ECONOMIC DEVELOPMENT GOALS

The County administration, EDC staff and steering committee identified and refined the strategic overarching goals that serve as the framework for all recommended actions. These

goals focus on having an economic development effort that maximizes the County's ability to leverage its limited resources. Specifically, the implementation plan goals reflect the universally supported desire for County-wide economic development efforts to be focused in effort to serve the County's existing population. The steering committee and EDC staff understand and embrace that these goals are dynamic, and should be revisited regularly to ensure they most accurately reflect the desires of the community, the market opportunities available, and the financial priorities of Oconee County. The 2012-2013 goals include:

- **To attract high quality, primary jobs for Oconee County residents** – The steering committee is focused on job creation. The committee believes attracting new jobs to the County is the most effective way to increase the quality of life for Oconee residents. More specifically, this group recognizes that jobs in “primary” industries (or industries where the final products are consumed elsewhere) that offer competitive benefits should be the goal for the Commission. These jobs offer several direct (i.e. new job opportunities) and indirect (i.e. growth of local wealth) benefits for Oconee County.
- **To enhance the County's industry retention and expansion efforts** – While attracting new jobs is a top priority for the steering committee, the committee also recognizes the value of preserving existing industry and providing opportunities for these companies to grow in Oconee County. In fact, the EDC's community survey revealed job retention was a top priority for Oconee County respondents. At a base level, attracting new jobs at the expense of keeping existing jobs is a self-defeating mission. Furthermore, survey respondents indicated companies already in Oconee County and seeking to grow are invested in the community should be given similar consideration as prospects.
- **To diversify the County's employment and tax base** – Oconee County does not have a dominant industry grouping, but it does have some dominant employers. While the County should continue to support these entities, changes in the operations of a handful of companies could have disproportionate impacts on the local economy. To this end, the steering committee recognizes the need to continue to attract companies in a variety of markets and of varying size. Through this effort, the EDC can lessen the potential impacts of the decision of a single employer.
- **To make Oconee County attractive to a wide variety of residents** – The steering committee recognizes that Oconee County has a substantial quality of life that is attractive to more established households and those households seeking a more rural lifestyle. However, the community and steering committee also understand that growth almost exclusively in retirement (or near retirement) households does not assist in job recruitment and retention. To this end, the committee has established a goal to make Oconee County more attractive to a wider variety of resident, particularly the young professional cohort.
- **To keep and preserve the County's natural beauty** – There is universal support from Oconee County citizens and the steering committee to ensure that economic development efforts have no or minimal impact on the County's natural beauty.

- Rather, the steering committee envisions economic development activity to complement the County's environmental sensitivity. Using standards such as LEED certification and minimizing impacts to local residents should be a considerable factor on economic development efforts.
- **To market Oconee County efficiently and effectively** – The steering committee wants the Economic Development Commission to broaden its marketing efforts and become more proactive in target identification, communication, and recruitment. The steering committee envisions the EDC will become a more active partner with regional and state economic development partners such as Upstate Alliance and the S.C. Department of Commerce. Initiatives where Oconee County partners with local governmental, non-profit and corporate partners should be explored and implemented more aggressively.
 - **To reduce local unemployment** – Similar to the focus on the creation of new jobs and the protection of existing ones, the steering committee recognizes that efforts should be made to prepare local residents that are not working for new opportunities in the County. To the extent reasonable, the steering committee has established a goal for the County's economic development efforts to assist in increasing residents' awareness of job opportunities, encouraging programs designed to train these residents for the jobs, and support the continued growth of these residents in their careers. The steering committee acknowledges success will require substantial partnering efforts.

The most effective ways to influence job retention and creation are to improve economic conditions, actively recruit specific business enterprise, enhance the predictability of the development process, and incentivize those targeted businesses. To this end, the following efforts support the overarching goal of job creation, business expansion, and wealth creation.

The implementation strategy organizes the action steps into four topic areas most relevant to the Oconee County Economic Development Commission's current needs, opportunities and constraints. These categories include: [1] Industry Recruitment and Asset Cultivation, [2] Marketing and Outreach Strategies, [3] Stakeholder Coordination, and [4] Organization Structure. The prioritization of action steps was shaped through combining the vision of the steering committee, the expectations of civic and government leaders, current market conditions, identified opportunities, and projected future market influences. The following narrative describes the proposed efforts Oconee County should undertake to position (and reposition) the organization and the County to maximize the effectiveness of existing potential resources in retaining jobs, growing existing businesses and attracting investment and development.

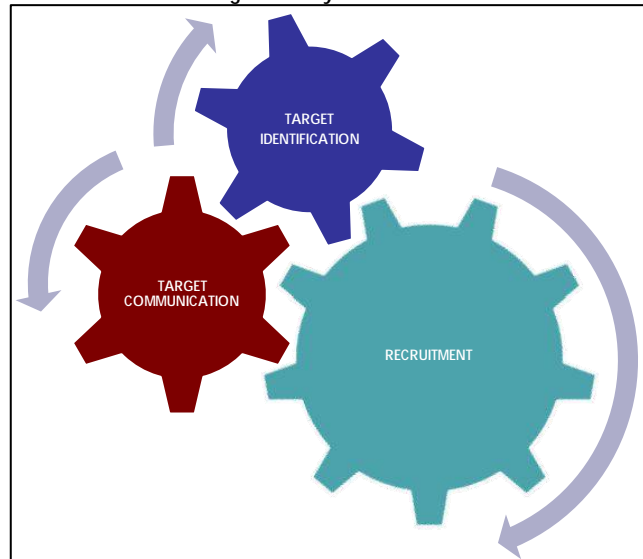
C. INDUSTRY RECRUITMENT AND ASSET CULTIVATION

The steering committee expressed a strong desire for Oconee County EDC to focus recruitment and retention efforts to diversify the County's economic base in terms of

industry clusters and company size. In other words, the final business plan should seek a balance of effort to support and attract everything from large employment centers to small start-up businesses. The target industry marketing campaign involves three basic steps: [1] target identification, [2] target communication, and [3] recruitment (Figure 6-1). Each step builds on the success of the previous step. However, the steps should be repeated on a regular basis as new companies are developed, leadership within companies change and the local, regional and national markets consistently shift. Furthermore, the marketing process will vary from company to company, oftentimes requiring a long ‘courtship’ process.

- Target Identification – Target identification involves developing, maintaining and expanding a list of businesses within the identified industry clusters to actively contact and recruit. The steering committee recommends the EDC utilize the following methods to identify potential leads for recruitment. First, the EDC should collect contact information for all businesses within the targeted industries from a national data source such as Dun and Bradstreet. These data vendors allow a client to input detailed screening criteria to ensure the resulting list best meets the client’s needs. Inputs typically include industry code, location, company size, employee count and annual sales volumes, among others. These services generally are fee-based, often charging by the record. Second, the EDC should work with the advisory panel (detailed later in this chapter) participants to gather information on companies they do business with, whether as clients or dealers. This list is most valuable, as these businesses already are familiar with Oconee County and have relationships with local businesses. Finally, Oconee County EDC become members industry-specific professional organizations related to the target industries to gain access to their membership lists. The combined results of these efforts should result in a comprehensive list.

Figure 6-1
Interactive Process of Target Industry Recruitment



- Target Communication – Target communication includes all interaction between the Oconee County EDC and the prospects from initial contacts and follow-ups to face-to-face meetings. The communication process should be initialized through a direct mailing campaign, using the target list developed in the last step. The mailing should include information about Oconee County, industry-specific information within the region, and other pertinent documentation. The initial mailing should be followed up with a direct phone call within two to three weeks. The phone call should be made by either staff or an ambassador (detailed later in this chapter). If

this is a referral, then the person making the referral should be involved early in the process.

- *Recruitment* – Communication beyond the initial phase of contact needs to be tailored based on the response of the prospect. The recruitment process may require several contacts, meetings at professional trade shows and/or multiple attempts through the initial communication process. The ultimate goal should be to get the prospect to visit the community either on a one-on-one basis or as part of a recruitment/networking visit (detailed later in this chapter). Regardless of the timeline, continued contact is important in developing a rapport with the prospect. It is important to note that the person/persons in charge of working with a prospect should be consistent throughout the process, when possible.

1. Create Target Industry Marketing Materials

Providing marketing materials to existing and prospective businesses is a tool that can serve many purposes. Marketing materials can be a quick way of showing prospective companies the benefits of doing business in Oconee County. These materials can also be used as part of an introduction with businesses that help open the door to further dialogue. Existing businesses would also benefit from marketing materials as it provides reasons for why it is beneficial to continue operating in the County and what programs/incentives are available to help these companies thrive.

Consistently updating the recruitment materials, particularly those related to projects currently under development, is important because these materials not only promote advantages to locating in Oconee County and/or the Upstate, but also provide a status of success for new growth. Other general recommendations from the steering committee include:

- Ensure there is uniformity in design and print quality on all materials;
- Update data and figures utilizing nationally recognized data sources, which is particularly true for web-based materials; and
- Critically review content in each document on whether it is necessary for inclusion and limit the size of documents.

The new marketing brochures should be no more than a single 11x17 sheet folded in half. However, a single 8.5x11 sheet printed on both sides or tri-fold is preferred. The marketing materials should cover six main topic areas:

- *Quality of Life* – The quality of life brochure should focus on the intangibles of living and working in Oconee County, highlighting the live-work-play concept and relative affordability of the County. The content should emphasize Oconee County's competitive advantages such as crime statistics, school performance, community diversity, proximity to transportation and urban markets, and quality/variety of leisure activities.

- Target Industry Materials – The EDC needs to create industry-specific marketing materials for each of the target industries. Each document should be customized based on the particular cluster. The documents should highlight information including employment and establishment growth data, current businesses operating in the County, competitive advantages of operating locally, unique incentives available (local or state) and local business contacts (ambassadors). For example, the warehousing and distribution industry materials should include information on access to fiber optic communications systems and proximity to the Atlanta, Charleston, and Charlotte shipping hubs.
- Incentive Sheet – A series of incentive documents should be created that detail the most relevant and impactful local (taxing body), county, state and federal incentive programs for the particular industry group being targeted. Prospective businesses can use this document to gauge the financial benefits to doing business in Oconee County, and existing businesses may be alerted to incentive programs they were unaware of, therefore helping to ensure their continued presence in Oconee.
- Business Testimonial Book – Craft a business testimonials book with written statements from existing Oconee County industry leaders on topics ranging from quality of life, business climate, market performance and personal preference on choosing Oconee County to do business. It is recommended that a wide range of business leaders who have been historically successful be interviewed for the testimonial book. For example, several business leaders have expressed appreciation for the loyalty of Oconee residents for their respective companies. This is an important trait for companies that have high labor training costs. Individual testimonies of leaders from within Oconee County’s target industries should also be included in the target industry brochures.
- Technology Sheet – Oconee County has an extensive telecommunications infrastructure base that exceeds similarly-sized counties. The EDC should have materials that detail this infrastructure including location maps, information about the providers, and the progress of installation (for in-progress investments). The technology sheet should feature facilities and sites that have unique or particular state-of-the-art amenities currently available.
- Property Highlight Sheet – Often call a property showcase book or priority property book, the spotlight property materials should be customized to the known needs of the prospect being targeted. For example, a warehousing prospect will not be interested in an office building or piece of land without good transportation access. In today’s just-in-time production effort, having immediately available, relevant properties for a prospect to consider oftentimes is the difference between success and failure. A summary of the County’s capital investment program (and current status of individual projects) is an appropriate marketing piece.

2. Prioritize Industry Cluster Implementation

The Oconee County EDC is not staffed to pursue all seven industry target clusters identified in the previous chapter. The EDC will have to phase its proactive efforts to ensure proper staff focus can be placed on the direct marketing efforts. To this end, the steering committee recommends the EDC focus on the development and implementation of marketing efforts in two clusters per year. This approach ensures proper attention to the creation of marketing materials and development of target lists, cultivation of industry ambassadors, and implementation of the initial outreach effort. Responses from this approach throughout the year will allow staff to focus on serious prospects moving forward, freeing up time to initiate the next effort. It should be noted that full implementation in all target industries will require additional staffing from the current levels. However, the strategic plan has coordinated this effort with the hiring of a marketing manager (detailed later in this chapter). The recommended implementation phasing includes:

- Year 1 – Product manufacturing and automotive manufacturing
- Year 2 – Healthcare provision, energy product manufacturing, and logistics
- Year 3 – Agri-business and Tourism (coordinated effort with local partners)

3. Develop a Business Ambassador Program

The ambassador program is a collection of business and industry leaders within a particular industry that is active in the marketing and recruitment of new businesses to Oconee County. Although they likely will have no formal authority within the recruitment process, they provide a “real life” vantage point about doing business locally. Their most important function is to coordinate with the economic development director to interact with prospects. Utilizing business leaders in the recruitment process legitimizes the recruitment effort through testimonials while leveraging the staff’s time and effort. It is important that ambassadors be well informed, well spoken, and respected within their industry. In other words, Oconee County EDC should be selective in nominating ambassadors.

4. Target Industry Recruitment Visits

Formal mail/phone recruiting should be the cornerstone of the Oconee County EDC’s implementation strategy. However, more strategic site visits also should be implemented. These trips oftentimes identify between 10 and 15 prospect companies within a confined geography (within the northeastern U.S. is recommended) for one-on-one visits. Developing these target lists and establishing these trips typically are coordinated with consultants that specialize in prospect identification and development. The EDC should utilize this approach initially, considering the cost/benefit of developing this capacity in-house. The steering committee recommends one trip be organized annually.

In addition to outreach trips to industry targets, the Oconee County EDC should consider hosting individual and groups of prospects. Hosted events should be themed in nature (i.e. vertical supply chains for existing companies, target industries...), lasting between 2-3 days. The event should be highly structured, integrating social events with ambassadors/local industry leaders with information sessions and strategic site visits. Partnerships with local,

regional, and statewide economic development entities to implement site visits are highly recommended in the short term. This approach provides many advantages to the EDC, most importantly the potential to leverage additional staff and financial resources

5. Continue Implementing the Capital Projects Initiatives

Oconee County is in the process of implementing a multi-year capital investment campaign related to improving economic development prospects. More than two-thirds of the citizens who responded to the economic development survey indicated that land and building development was “very important” or “important” for the County’s economic development efforts. Specifically, the acquisition and development of Echo Hills and Golden Corner are important steps in ensuring there are physical assets available for prospects. The development of necessary infrastructure also is an important effort the County currently is pursuing. Other projects include the activation of activity along Interstate 85 (which garnered support from more than 80% of citizen respondents to the EDC survey), the marketing and improvement of the Seneca Rail Site, and the development of two new shell buildings.

Given the number of existing initiatives and the current level of progress, the County’s existing strategy is sufficient in both scale and approach. Both the steering committee and the consultant believe continuing to fund and implement this effort is necessary and appropriate given the stated goals of this strategic plan for economic development.

One opportunity identified through this effort is to explore the potential to use the Oconee County-Clemson Regional Airport as a catalyst for economic development efforts. The steering committee recommends the County do additional research on the potential economic development activity supportable in and near the airport as well as the physical capacity of the surrounding area to accommodate this activity. Simply put, the airport’s runway length (5,000 feet), proximity to Clemson University, and quality of amenities on site make it a prime location to attract both “inside the fence” and “outside the fence” activity. To this end, the County should perform or contract a feasibility study to determine the economic development value of the airport.

D. MARKETING AND OUTREACH STRATEGIES

All of the action items within this strategy have an indirect relationship with marketing. At the base level, the Oconee County EDC will be challenged to increase local buy-in and support from governmental and stakeholder collaborators without increasing awareness of the organization and its mission. Furthermore, it is impossible to develop target industry recruitment effort without the necessary marketing collateral. These actions require internal and external coordination between several local, regional, and statewide interests. However, there also are the marketing-specific tasks that need to be accomplished “in-house”.

Citizen respondents to the EDC survey indicated a desire to know more about what the County is doing in regards to economic development. Of those options presented, the most

popular methods are to see more local media press releases, the implementation of a town hall forum, and a more proactive website. Based on these priorities, the steering committee recommends the Oconee County EDC focus on three outcomes through its marketing and outreach efforts. First, the EDC should increase its efforts to attract new companies to the County. Through this initiative, the steering committee envisions the EDC implementing a comprehensive communication strategy with real estate professionals, national trade associations and direct contact to prospects. Second, the EDC should work with local, regional, and statewide implementation partners to further economic development activity in Oconee County. This approach focuses on building support and buy-in from public, non-profit and private entities in the form of shared resources and financial contributions. Finally, the EDC should improve community awareness of economic development and the benefits/costs of those efforts. Increased communication with Oconee County citizens will improve support local support and participation.

The strategy will later address the need for a Marketing Director within the Oconee County EDC that can work to promote the organization and the community, while disseminating information about the status of economic development initiatives. It also will detail advisory panel efforts and the ways the EDC can utilize those groups. Additional efforts include:

1. Media Outreach Campaign

The transition from written word to digital media is consistent and inevitable. Economic development amenities such as websites, Twitter® feeds and Facebook® pages once considered “cutting edge” are becoming requirements to remain relevant to industry and site selection leaders. The EDC has some presence within the digital media world. However, there are opportunities for the organization to enhance its efforts.

The Oconee County EDC website requires some immediate attention. The information currently provided is not the most efficient or effective manner to present economic development opportunities. The Steering committee recommends the Partners organize the website with three component sections.

a.) Industry and Site Selection

This portion of the website should include all of the information and marketing materials dedicated to business retention, business expansion, and prospect attraction. In addition to a general section that details the strengths and opportunities within Oconee County, each target industry should have a separate section that highlights the marketing materials detailed earlier in this section. Other areas within the industry and site selection portion of the website should be a comprehensive incentive and business development program listing, workforce training and education resources, ambassador testimonies and contact information, and digital versions (typically PDF documents) of the organization’s marketing collateral.

b.) Business Development

The business development section of the website should be dedicated to marketing and supporting existing business entities and local business creation. The business development section should host the annual business survey effort recommended as part of this effort.

- **Social media** – As mentioned, industry leaders, site selector, and economic development professionals are continually increasing their use and understanding of social media outlets. Although social media likely will not supplant the more traditional networking efforts (i.e. marketing trips, professional trade events...) in the near future, they increase public awareness and reach a broader market in a cost efficient manner. A more concerted effort to increase Oconee County EDC's presence in social media is recommended by the steering committee. Posts/comments should be made no less than once a week, and more frequent when newsworthy activities are occurring. Responsibilities for updating these efforts should be assigned to the economic development manager in the short term and the marketing manager position once it is filled.
- **Publications** – Regular and consistent outreach to partners, prospects, and stakeholders is critical for an economic development organization to operate efficiently and effectively. The Oconee County EDC has the opportunity to increase its marketing and outreach efforts. Most notably, the EDC should be sending a monthly eNewsletter to its subscriber, partner, and prospect list detailing activities, accomplishments, and upcoming events. Other outreach publications should include newspaper articles about economic development activity in the County and the Upstate region, announcements, and event notifications and invitations. As part of this effort, Oconee County EDC needs to continually update and expand its contact lists.

c.) Community Outreach

The third portion of the website should be dedicated to advancing the EDC's efforts to build support from the citizens of Oconee County. This section is envisioned engage Oconee residents to understand economic development and build support behind the efforts being pursued by the EDC. The community outreach section should include digital records of all formal outreach efforts such as the Economic Development 101 materials (described in the next section) and press releases about the successes of the EDC. This section also should be the permanent home for an annual survey of local residents on their perspective about economic development similar to the one completed as part of this effort. A longitudinal understanding of community feedback will allow the EDC to customize new programs and monitor the success of existing ones. Finally, the community outreach section should have links to the EDC's social outreach efforts (i.e. Facebook).

2. Community Coordination Strategy

As mentioned, community awareness and support is vital to achieving the most efficient and effective economic development organization. Simply put, local public support for

economic development is influenced by the vision and willingness of County citizens to support these efforts. Through this process, the steering committee has learned relationships with individual taxing bodies and municipal leaders vary. Some have strong relationships with Oconee County EDC, while others have little to no awareness of the organization. Furthermore, almost half of those County residents that responded to the EDC survey indicated they do not have a clear understanding of economic development or the County's economic development efforts. Increased awareness and education about economic development can only benefit the Oconee County EDC in building sustainable and strategic relationships with all local stakeholders.

a.) *Economic Development 101 Series*

A popular and easily delivered initiative is the development of an "Economic Development 101" program. Simply put, this effort can be delivered to small to mid-sized groups to educate them on the virtues and challenges of implementing an economic development program. Topics include defining what economic development means in Lake County, how job retention and creation programs work, and the economic benefits and costs of active economic development initiatives. Implementing a series of these education sessions will allow LCP to simplify the discussion to specific components of Oconee County EDC and the organization's economic development process. The Steering committee recommends the first three 101 sessions address:

- **What is economic development, and what does that mean for Oconee County?** – A primer that demystifies the comprehensive term, "economic development" and focuses deliverable expectations from the EDC. This also allows the EDC to present the citizen survey results back to them, creating instant opportunities for dialogue
- **Who does economic development?** – A presentation that reveals the complex relationships that are required to do economic development, from government participation to stakeholder coordination to coordinated outreach efforts. The Oconee EDC requires substantial local, regional and statewide partnerships with both public and private entities to be successful.
- **What are the benefits and costs of economic development initiatives?** – An honest breakdown of what is considered a "win" for Oconee County and the costs to implement the programs to get those wins. Demanding a return of investment is not a reasonable measure of the success for economic development activities. This presentation enables a discussion about all economic benefits (i.e. new tax revenues, jobs...)

b.) *Meeting in a Box*

The meeting in a box concept is a useful tool for the EDC given the population dispersion and size of the County. Simply put, the Oconee County EDC Board and staff would have to dedicate their entire efforts to community outreach to reach all Oconee citizens. This approach empowers local organizations, communities, and interested parties the information necessary to host self-guided discussions about

economic development. One particular use would be to enable community advocates (described later in this chapter) to lead discussions with municipal leaders on the opportunities and impacts of certain regulations on economic development. These materials should be customized to the topic, ranging from advocacy pieces to technical assistance presentations. The municipal advisory panel should help establish the criteria for the first few programs.

c.) Forums and Seminars

The Economic Development 101 and Meeting in a Box initiatives are two of the better options available to the Oconee County EDC to enhance its efforts to improve community relations and support for economic development. However, there are other approaches that the EDC should consider and pursue as resources and interest increase. Those options supported by the Steering committee include:

- **Town Halls** – Town hall events should focus on the “state of economic development” within Oconee County. Events like this should be limited to once or twice annually, and focus on accomplishments, market changes, new programs or efforts, and emerging markets.
- **Industry Forums** – Industry forums are intended to focus on current and near-future opportunities and challenges within a specific industry (i.e. manufacturing, hospitality, multifamily...). These events oftentimes use a panel-style set up to have local and regional industry leaders address questions from a moderator aimed at educating attendees about the likely future of the industry. This effort should be done in concert with the Oconee Alliance.
- **Guest Lectures** – Guest lectures allow the EDC to invite subject matter experts from around the world to talk to attendees about a topic relevant to the EDC’s current economic development initiatives. For example, the EDC chooses to pursue rail improvements at the Seneca Rail Site, they should bring in an expert on that topic to educate the communities and stakeholders on the benefits and drawbacks of increased rail activity in the County.
- **Best Practice Seminars** – Best practices seminars often focus on regulatory and policy issues. For Oconee County, best practices seminars surrounding a topic relevant to promoting economic development at the regulatory level (i.e. form based code) is a logical approach. In these instances, the EDC can invite all relevant stakeholders to participate in a presentation/discussion surrounding the benefits and drawbacks of that particular opportunity.

d.) Community Advocates

There has been very little effort in Oconee County to engage residents. Given the challenge of reaching all communities in Oconee County, the EDC should utilize personal and professional relationships to identify key civic stakeholders in County. Ideally, the community advocates would be individuals with strong ties and broad recognition within that particular part of the County. For example, the leadership of a homeowners association with several housing units would be a logical starting

point. Similar to the ambassador program, individuals selected to be advocates should be familiar with the EDC, economic development concepts, and well spoken. The EDC should seek to develop five to seven advocates to assist in community outreach. Through this effort, the EDC can communicate more efficiently and effectively at the local level without requiring a staff large enough to provide individual attention in each community.

3. Business Outreach Efforts

While business attraction and job recruitment is a primary focus of all economic development entities, business retention and expansion should receive equal attention and effort. Simply put, for every company the EDC seeks to attract to the County, another community's economic development entity is attempting to attract a local business away from Oconee County. Fundamentally, increased outreach to local businesses allows the EDC to identify and resolve any potential issues impacting its existing employment base before a company chooses to leave/downsize. Additionally, providing attention to existing businesses improves corporate loyalty to Oconee County, creates opportunities for networking and expansion opportunities, and identifies potential partners for the EDC. To this end, the steering committee believes additional resources should be dedicated to retaining and growing existing companies. The focus of business outreach should be to identify potential issues of local businesses and implement strategies to mitigate challenges and/or create new opportunities.

a.) Business Survey

Oconee County EDC reinitiated its business survey efforts through the CEDS process. An initial business survey was implemented during August of 2012. Oconee County EDC was able to connect with several new industry leaders, identify needs from particular businesses, and receive several recommendations that carried through into this implementation strategy. While the survey results are not statistically significant to derive countywide needs or opportunities, the effort was a critical first step to developing an annual effort designed to increase awareness of the organization and identify opportunities for Oconee County EDC to provide value-add to existing businesses.

b.) Business Retention Program

The Steering committee recommends Oconee County EDC revitalize its existing business outreach program. As discussed throughout this plan, LCP has the opportunity to be strategic in using its partners to enhance outreach to local businesses. At a base level, the business survey will offer an immediate list of businesses that will identify specific needs and opportunities. From that list, the coordinated outreach effort with implementation partners (i.e. municipal economic development entities), industry groups (i.e. IMEC, iBIO...) and workforce professional entities will increase LCPs capacity without increasing cost. Finally, Oconee County EDC can coordinate meetings with local businesses that have identified a particular need (either through the business survey or through direct/indirect contact with Oconee County EDC) and the partner entities necessary to develop and enact a solution. Initial actions should be concentrated in the target

industry clusters. When combined with the results of the business survey, the business retention program results will provide Oconee County EDC with a comprehensive assessment of current and projected needs/issues of Lake County businesses. This information should be the foundation for future modifications/additions of LCP business retention and development programs.

c.) *Program and Policy Handbook*

The program and policy handbook is a comprehensive list of all local, county, state, and federal regulatory and incentive programs available to businesses that operate in Lake County. The handbook should be organized by program and policy type (i.e. financial incentives, tax incentives, job incentives...). This handbook is valuable to both existing businesses and new prospects. However, the book as an entirety should be used as a reference to customize marketing collateral. Any information shared with existing or new businesses should be tailored to their location, need, and eligibility. In other words, the handbook is an impressive marketing tool to show Lake County is supportive of business, but is not a solution to direct attention to a particular businesses need.

E. STAKEHOLDER COORDINATION

The steering committee has recognized from the beginning of this effort that to be successful, the Oconee County EDC needs to become more proactive in business recruitment and retention and should be the primary point of contact for economic development, both from the coordination of efforts and communication with prospects and partners. However, there is a substantial economic development infrastructure in place in Upstate South Carolina that allows Oconee County to leverage these respective organizations' resources to benefit the County. To this end, the steering committee encourages the EDC staff to make better use of these resources to expand the EDC's capabilities without expanding the cost to the County. Logical partners include:

- S.C. Department of Commerce
- Upstate Alliance
- Clemson University
- Duke Power
- S.C. Power Team
- Workforce and education providers
- Financial institutions
- Brokers/real estate professionals
- Developers/property owners

The following tasks reflect the efforts being proposed to improve efficiency of operations, increase staffing levels, and better leverage strategic community assets.

1. Stakeholder Organization

The steering committee recommends the implementation entity have five primary focus areas, each requiring equal attention and effort. Within each of these focus areas, the Oconee County EDC board of directors should operate individual working subcommittees focused on the implementation and administration of activities germane their respective actions within the business plan. Each of these working committees should have board member representation, and be comprised of stakeholders with knowledge of the topic area. The five topics are:

- **Industry Recruitment** – This committee should be focused on the “traditional” business attraction efforts of an economic development organization. The industry recruitment subcommittee should include implementation partners such as the Upstate Alliance. This subcommittee should have representation from the Ambassador group.
- **Marketing and Outreach** – The marketing and outreach committee should advise Oconee County EDC staff on the management and strategic planning for internal and external messaging of the organization. This group should critically assess and advise on issues such as material creation, outreach strategies, and event planning.
- **Small Business Issues** – Oconee County should broaden its efforts to include small and medium-sized companies as well as larger industry targets. More specifically, some effort should be made expand local efforts to promote local entrepreneurial efforts. In the short to mid-term, Tri County Tech, the Mountain Lakes Business Development Corporation and the EDC should work to streamline the provision of small business assistance under the EDC.
- **Workforce Development** – Workforce development is a critical factor in any job retention and creation effort. The Oconee County EDC needs to better coordinate with the local school district, Tri County Tech, Clemson University, and other training partners. This committee is envisioned to provide insight and support for developing strategic alliances in workforce and education programs as well as providing feedback on retention outreach efforts.
- **Business Retention** – Similar to the business recruitment group, the retention group should focus on improving the EDC’s abilities and effectiveness in working with industry partners. However, the retention and recruitment efforts are substantial enough to require separate focus groups to work with the EDC staff on implementation. The retention effort should incorporate the Oconee County Industrial Group effort.

2. Strategic Relationships

Similar to the community outreach component, the Oconee County EDC is faced with a complex implementation partner network. Among the many recommendations provided in this plan, two of the immediate opportunities/needs are implement a more strategic

networking and outreach effort to County real estate leaders. The steering committee recommends the EDC improve perceptions and relationships with regional and national real estate professionals, particularly site selection consultants. The steering committee encourages the EDC to implement a focused outreach effort to these partners as an initial step to increasing awareness and interaction with prospects and their representatives.

a.) Real Estate Professional Networking Program

The Oconee County EDC should implement a quarterly networking and outreach event for local and regional real estate professionals including Realtors, investors, developers, and property owners. The focus of these events is to increase communication between the County and these professionals while creating new relationships within the Upstate real estate community. If the County continues to be active in property acquisition and development, having these relationships will enhance the ability to execute deals. The first event should be targeted at reintroducing the Oconee County EDC and its revised approach to the real estate community. Subsequent events should be held on a strategic basis surrounding opportunities such as substantial announcements, potential projects, and information dissemination. An advisory panel of real estate professionals should be created to complement the execution of this effort.

b.) Site Selection Professional Marketing Event

In addition to local and regional relationship building, the EDC should be networking with national and international site selection professionals. The steering committee recommends hosting one event annually for between 3 and 10 site selection professionals, targeting individuals with experience/interest in the County's target industries. A number of consultants specialize in creating and implementing these events. The Oconee County EDC can use these services until the expertise is developed in house. Additional activities include regular one-on-one meetings with leading site selection professionals as well as participation in and sponsorship of consultant conferences and forums held throughout the year.

F. ORGANIZATION STRUCTURE

The current Oconee County EDC structure is sufficient to operate an economic development effort, but is not organized in the most efficient manner from an implementation perspective. At a base level, having the economic development organization a County department limits the financial participation from private sector partners. This issue alone forces Oconee County to fund the entirety of the EDC's efforts. More strategically, having several parallel non-profit organizations (i.e. the Mountain Lakes Business Development Corporation and the Oconee Alliance) blurs the lines of responsibility and increases administrative costs. Finally, the current staffing levels and configuration is not sufficient to implement this strategy in its entirety. This finding is evident to citizen respondents to the EDC survey as well as members of the steering committee. Simply put, the economic development effort envisioned by the Steering Committee and the community requires more than two professionals and an administrative staff member.

1. Implementation Entity Structure

The very first action recommended by the steering committee is the creation of a 501(c)(3) corporation to manage the County's economic development operations. As mentioned, there are several advantages to having a non-profit organization designated as the economic development entity for the County. Most importantly, it allows private businesses to provide financial contributions for economic development activities. Based on feedback through this effort, the staff for economic development will remain as County employees. However, operation funds from the County, private industries, non-profit organizations and private contributions will be managed through the 501(c)(3).

The creation of the 501(c)(3) also allows the County to expand the Board of Directors to better reflect the public-private partnership nature of the County's economic development efforts. Simply put, the Board of Directors for the organization should be a broad range of representatives of economic activity in Oconee County. Most notably, the majority of the Board should represent private-sector interests. While the County should have substantial representation on the Board, most successful economic development entities are managed through the private sector. The steering committee recommends a Board consisting of between 11 and 17 members, with a majority representing private sector interests. The Board structure could retain appointees from each of the County Council and additional strategic partners such as the utility industry, Upstate Alliance and Tri-County Tech. The final makeup of the Board should be decided through collaboration between the County Council, the County administration and the existing EDC staff

2. Staffing

To accomplish everything detailed in this document to a level envisioned by the steering committee, the Oconee County EDC will require a broader range of skills and staffing. The steering committee recognizes that implementation of the full plan will be incremental, with Oconee County EDC expanding its focus and effort as staffing and resources become available. The Oconee County EDC Board and staff will determine what functions are implemented in the short-term, mid-term, and long-term as the organization continues to grow and gain success. During this process, the steering committee recommends Oconee County EDC utilize techniques to augment existing capacity through contract, part-time, and/or temporary expertise. New full-time staff should be added as costs for specific skill sets exceed FTE salary levels. Ultimately, the Steering committee recommends Oconee County EDC strive to achieve the following management and staffing plan or some variation similar in scale and expertise.

a.) Executive Director

The Executive Director should be the public persona of the County's economic development effort, becoming the visual and vocal leader within the County. The Executive Director is responsible for implementing the vision and guiding the mission of the EDC in coordination with the Board of Directors. More specifically, the Executive Director should be focused on building the organization's relationships with local and regional implementation partners including municipal

governments, the County government, utility and taxing bodies, business leaders, civic leaders and strategic economic development leaders.

While focus on the “big picture” is a critical role for the position, the Executive Director should have regular contact with management staff and be accessible to support staff and volunteers. A focus on the organization’s funding and strategic resources should be the Executive Director’s role as well. As resources become available, the Executive Director should have at least one support staff (i.e. an administrative assistant), to handle the organization’s more routine needs.

b.) Economic Development Manager

The Economic Development Manager should have three primary roles, [1] overseeing the EDC’s technical and administrative efforts on a day-to-day basis; [2] managing the business recruitment and retention efforts for Oconee County; and [3] heading the advocacy efforts for the organization. Effectively, the Economic Development Manager should function as the general manager of the organization, focusing on job retention, job creation, and attracting investment. As resources (and efforts) expand, the Economic Development Manager should have a business retention specialist/technician to assist in implementation of the recruitment and retention effort as well as provide technical assistance as necessary.

c.) Marketing Director

The Marketing Director should be charged with three main tasks. First, the Marketing Director should develop and coordinate a more comprehensive and efficient information clearinghouse program between Oconee County EDC and governmental agencies, the real estate community, strategic implementation partners, and the community. The information sharing process should be a multi-media program that informs prospects, investors, stakeholders and the public of the opportunities and successes in Oconee County. Second, the Marketing Director should be tasked with updating and maintaining all marketing materials, keeping them current and relevant to the mission of the Oconee County EDC. Finally, the Marketing Director should be coordinating with the various community and interest groups on events taking place related to the marketing and promotion of doing business in Oconee County. These should include, but not be limited to, County government sponsored events, Convention and Visitor’s Bureau (CVB) events, business recruitment trips, trade show exhibits and public ceremonies.

3. Partner Leveraging Programs

Even with increased investment from governmental and private sector investors to provide more staffing capacity for economic development, the action plan requires more effort than can be provided “in-house”. To account for this gap without requiring an even greater financial investment, the steering committee recommends that the EDC implement a series of efforts to expand support from civic, business and development stakeholders on a volunteer basis. By enacting these programs, the Oconee County EDC can leverage its investment while increasing the awareness of and support for its economic development efforts. Furthermore, having volunteers participate in implementation increases the

community's dedication to seeing results while creating the atmosphere of expected success for the EDC staff. It is likely that many board members would be valuable participants in these programs, prompting the consideration of making participation mandatory for board members.

a.) Advisory Panels

The purpose of the advisory panels is to assemble local stakeholder and industry leaders on a quarterly or semi-annual basis to discuss issues and opportunities to support and grow jobs and investment in Oconee County. The recommended panels include:

- Tourism
- Workforce and Education Development
- Financial Services
- Real Estate Professionals

The panels should be comprised of industry leaders and industry-focused organizations that can provide insight and feedback to the Oconee County EDC on program effectiveness, industry trends, and networking/marketing opportunities. The focus of these conversations is to identify challenges for businesses and collaborate on solutions.

4. Advisory Strategies

Not all of the EDC's actions can have a direct effect on economic development potential in Oconee County. Several factors that influence economic development opportunities are beyond the control of the EDC staff and Board. In these instances, the steering committee has identified advisory actions available to the EDC that will assist those decision makers to make informed decisions about the potential impacts to economic development efforts.

a.) Regulatory Tools

There are a series of regulatory tools available at the County and municipal level that can be allied to enhance economic development. The Oconee County EDC should implement an outreach effort to provide education to local elected officials on how these programs work, how they affect the jurisdiction and the potential benefits to attracting jobs and investment. The regulatory tool effort should be a follow-up approach to relationship building and community outreach. Potential regulatory tools to address with the governmental bodies and taxing districts include, but are not limited to, programs such as:

- Community/business improvement districts
- Tax increment financing
- Universal design code
- Overlay districts
- Transfer of development rights
- Streamlined development review process

b.) Incentives

As with the regulatory tools effort, the Oconee County EDC can provide value to local community discussions on various financial tools available to governmental and taxing bodies in Oconee County. Through the community stakeholder survey administered by Oconee County EDC, more than 66% of respondents indicated support for the County to provide some form of financial incentive to attract and retain quality jobs. Rather than presenting the information as part of a promotional effort, the steering committee recommends the EDC develop a series of tutorials on how different programs work and the benefits and challenges to each. It is through this objective prism that the EDC can truly build support for their operations. Financial incentives include, but are not limited to:

- Tax abatement
- Fee reductions/waivers
- Infrastructure cost mitigation
- Fee in lieu of taxes
- Tax increment financing

c.) Infrastructure

The Oconee County EDC should collaborate with the appropriate local and regional infrastructure providers and infrastructure advocates to educate and promote the opportunities to improve economic development efforts through concurrent infrastructure improvements. Almost 66% of respondents to the EDC citizen survey support reduced cost or free infrastructure in exchange for capital investment and job creation/retention. An obvious example of this is the extension of sewer down towards Interstate 85. The EDC can play an advisory role in the potential benefits and impacts of this effort. The EDC should take an active role on promoting these improvements, and work to identify potential partnerships and funding sources to accelerate the delivery of these capital improvements.

G. IMPLEMENTATION MATRIX

The following implementation matrix presents the full range of objectives and corresponding action items for consideration when creating the EDC's 2013 business plan. The time lines, estimated costing, and implementation partners for each action item identified in the matrix reflect of the level of effort desired by the steering committee and assessment by the Consultant. The final business plan established by the reformulated EDC should be heavily influenced by the steering committee's established strategy, but refined based on the available strategic and capital resources available to this effort. The final timing, focus, and potential costs will be better determined through the reorganization of the implementation entity and the dedicated participation from various public and private sources.

| OCONEE COUNTY, SC STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT Implementation Matrix | | Implementation Lead | | Implementation Timing (Years) | | | | | | | | | | Estimated Cost | |
|---|--|---------------------|---------|-------------------------------|---|---|---|---|---|---|---|---|----|----------------|---|
| | | Public/NP | Private | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| INDUSTRY RECRUITMENT AND ASSET CULTIVATION | | | | | | | | | | | | | | | |
| Objective #1: Create target industry recruitment and retention marketing materials. | | | | | | | | | | | | | | | |
| Action 1: | Create quality of life brochure highlighting Oconee County's attributes as place to live and work including cost of living, crime information, schools, and leisure activities, among others | ED, VB | C | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 2: | Develop a industry "highlights" tri-fold materials for each target industry market including market fundamentals, local and regional business climate, labor force data, etc. | ED | C, I | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 3: | Develop a detailed incentives document that details all local, county, state and federal incentive programs | ED, OC, OM, UA, SC | F | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 4: | Craft a business testimonials book with written statements from existing Oconee business leaders on topics ranging from business climate, market performance, and choosing Oconee County to do business | ED, IG | I, R | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 5: | Produce a technology sheet detailing the high tech infrastructure available in Oconee including the fiber optic infrastructure and internet/cellular coverage | ED, OC, SC, BR, DP | I | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 6: | Develop each of these materials in print, digital and internet format | ED | C | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | C |
| Action 7: | Create conference materials and permanent display materials for exhibitions and outreach efforts | EC | C | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | D |
| Objective #2: Create and implement a direct marketing effort for the materials and automotive manufacturing industry clusters. | | | | | | | | | | | | | | | |
| Action 1: | Work with the industry specific focus groups to define market opportunities and identify potential target markets in context of the target industry clusters | ED | I | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Action 2: | Utilize a business listing database, such as Dun and Bradstreet, to get a list of businesses within the target industries identified in the target industry section of the strategic economic development plan | ED | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 3: | Inventory and identify businesses providing support services within Oconee County, seeking opportunities to attract and retain back office and support service companies (i.e. building maintenance) | ED | I | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Action 4: | Coordinate and distribute marketing materials specific to each industry cluster to their national trade organizations, Upstate Alliance, and the South Carolina Department of Commerce | ED, UA, SC, BR, DP | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Action 5: | Join professional associations related to the industries identified in the industry cluster, advertising in their trade publications and attending regional and national conferences | ED, UA, SC, BR, DP | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | C |
| Action 6: | Coordinate recruitment trips and visits with Upstate Alliance and South Carolina Department of Commerce, identifying opportunities to joint market | ED, UA, SC, BR, DP | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | C |
| Objective #3: Create and implement a direct marketing effort for the healthcare, energy, and logistics industry clusters. | | | | | | | | | | | | | | | |
| Action 1: | Work with the industry specific focus groups to define market opportunities and identify potential target markets in context of the target industry clusters | ED | I | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Action 2: | Utilize a business listing database, such as Dun and Bradstreet, to get a list of businesses within the target industries identified in the target industry section of the strategic economic development plan | ED | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 3: | Inventory and identify businesses providing support services within Oconee County, seeking opportunities to attract and retain back office and support service companies | ED | I | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Action 4: | Coordinate and distribute marketing materials specific to each industry cluster to their national trade organizations, Upstate Alliance, and the South Carolina Department of Commerce | ED, UA, SC, BR, DP | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Action 5: | Join professional associations related to the industries identified in the industry cluster, advertising in their trade publications and attending regional and national conferences | ED, UA, SC, BR, DP | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | C |
| Action 6: | Coordinate recruitment trips and visits with Upstate Alliance and South Carolina Department of Commerce, identifying opportunities to joint market | ED, UA, SC, BR, DP | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | C |

| OCONEE COUNTY, SC STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT Implementation Matrix | | Implementation Lead | | Implementation Timing (Years) | | | | | | | | | | Estimated |
|---|--|---------------------|---------|-------------------------------|---|---|---|---|---|---|---|---|----|-----------|
| | | Public/NP | Private | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Cost |
| INDUSTRY RECRUITMENT AND ASSET CULTIVATION (CONT.) | | | | | | | | | | | | | | |
| Objective #4: Coordinate a direct marketing effort for the tourism and agri-business clusters. | | | | | | | | | | | | | | |
| Action 1: | Work with the industry specific focus groups to define market opportunities and identify potential target markets in context of the target industry clusters | ED | I | | | | | | | | | | | A |
| Action 2: | Utilize a business listing database, such as Dun and Bradstreet, to get a list of businesses within the target industries identified in the target industry section of the strategic economic development plan | ED | | | | | | | | | | | | B |
| Action 3: | Inventory and identify businesses providing support services within Oconee County, seeking opportunities to attract and retain back office and support service companies | ED | I | | | | | | | | | | | A |
| Action 4: | Coordinate and distribute marketing materials specific to each industry cluster to their national trade organizations, Upstate Alliance, and the South Carolina Department of Commerce | ED, UA, SC, BR, DP | | | | | | | | | | | | A |
| Action 5: | Join professional associations related to the industries identified in the industry cluster, advertising in their trade publications and attending regional and national conferences | ED, UA, SC, BR, DP | | | | | | | | | | | | C |
| Action 6: | Coordinate recruitment trips and visits with Upstate Alliance and South Carolina Department of Commerce, identifying opportunities to joint market | ED, UA, SC, BR, DP | | | | | | | | | | | | C |
| Objective #5: Develop the Oconee County ambassador program. | | | | | | | | | | | | | | |
| Action 1: | Work with the Oconee County Industrial Group to identify 3-5 industry leaders interested in supporting economic development recruitment that have strong knowledge of the County | OC, ED, UA | I | | | | | | | | | | | A |
| Action 2: | Train these individuals to provide support to the EDC in industry recruitment efforts | ED, SC | I | | | | | | | | | | | B |
| Action 3: | Develop a master testimonial book with profiles and contact information for industry ambassadors to be used in marketing and outreach | EC | C, I | | | | | | | | | | | B |
| Action 4: | Have ambassadors serve as chairpersons for the target industry focus groups, working with other industry leaders to identify targets, communicate with prospects and address market issues/opportunities | EC | I | | | | | | | | | | | A |
| Objective #6: Continue implementing the existing capital projects plan for economic development. | | | | | | | | | | | | | | |
| Action 1: | Consider renaming the Echo Hills and Golden Corner Commerce Parks to something more focused on Oconee County/ the county's location within the Upstate | ED, OC | | | | | | | | | | | | A |
| Action 2: | Continue with the preparation and grading of the Echo Hills Commerce Park | ED, OC | | | | | | | | | | | | F |
| Action 3: | Develop a shell building between 50,000 and 100,000 square feet at the Echo Hills Park | ED, OC, DP, BR, SC | | | | | | | | | | | | F |
| Action 4: | Examine the potential to expand economic activity inside and around the Clemson-Oconee County Regional Airport | ED | C | | | | | | | | | | | C |
| Action 5: | Continue with preparation and grading of the Golden Corner Commerce Park | ED, OC | | | | | | | | | | | | F |
| Action 6: | Develop a second shell building between 50,000 and 100,000 square feet at the Golden Corner site | ED, OC, DP, BR, SC | | | | | | | | | | | | F |
| Action 7: | Prepare and grade the Seneca rail site | ED, OC, SC | | | | | | | | | | | | F |
| Action 8: | Develop a formalized marketing plan for Echo Hills and Golden Corner including hosting a dedication event at both facilities, multi-media advertising efforts, and a direct mailing campaign | ED, OC, SC | | | | | | | | | | | | B |
| Action 9: | Build a database of properties within the County that have good fundamentals for future primary job growth | ED | C | | | | | | | | | | | B |

| OCONEE COUNTY, SC STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT Implementation Matrix | | Implementation Lead | | Implementation Timing (Years) | | | | | | | | | | Estimated Cost | |
|---|--|---------------------|------------|-------------------------------|---|-------|-------|-------|-------|-------|-------|-------|-------|----------------|--------------------------|
| | | Public/NP | Private | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| INDUSTRY RECRUITMENT AND ASSET CULTIVATION (CONT.) | | | | | | | | | | | | | | | |
| Action 10: | Continue to implement the direct contribution to economic development capital fund through dedicated ad velorum tax revenue | OC | | [Bar from Year 1 to 10] | | | | | | | | | | A | |
| Action 11: | Continue to reinvest revenue from disposition of economic development assets into the economic development capital fund | OC | | [Bar from Year 1 to 10] | | | | | | | | | | A | |
| Objective #7: Bolster economic activity along Interstate 85 in Oconee County. | | | | | | | | | | | | | | | |
| Action 1: | Develop a strategic development plan for the Morgan site | ED | C, O, D | | | [Bar] | | | | | | | | | C |
| Action 2: | Identify potential short-term and long-term investment opportunity areas along the Interstate | ED | O | | | [Bar] | [Bar] | | | | | | | | A |
| Action 3: | Extend water and sewer to Interstate 85 | OC, UB | O | | | [Bar] | [Bar] | | | | | | | | F |
| Action 4: | Improve signage leading to Oconee County and within Oconee County | OC, SC | | | | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | F |
| Action 5: | Explore the potential to implement a joint tourism/conference venue effort with the South Carolina welcome center | ED, VB, OC, SC | D, F | | | | | [Bar] | [Bar] | [Bar] | | | | | E |
| Objective #8: Implement target industry recruitment events. | | | | | | | | | | | | | | | |
| Action 1: | Develop and implement recruitment trips sponsored by the County and hosted by local business leaders, bringing target businesses for short-term networking and recruitment events | ED, OC, UA, SC | I | | | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | Included with #2, #3, #4 |
| Action 2: | Create targeted business appreciation events for existing industries within Oconee County, providing local businesses an opportunity to network and learn about education/financial programs | ED, CC | I | | | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | Included with #2, #3, #4 |
| Action 3: | Implement an outreach effort to include topics that appeal to a wide variety of business owners and entrepreneurs interested in gaining additional knowledge on general business practices | ED, CC | I, O, F, R | | | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | [Bar] | Included with #2, #3, #4 |
| MARKETING AND OUTREACH STRATEGIES | | | | | | | | | | | | | | | |
| Objective #1: Build a true multi-media marketing and outreach campaign for economic development in Oconee County | | | | | | | | | | | | | | | |
| Action 1: | Reorganize Oconee County EDC's website to focus message and streamline information | ED | C | | | [Bar] | | | | | | | | | C |
| Action 2: | Organize website into industry and site selection, business development, and community awareness | ED | C | | | [Bar] | | | | | | | | | Included with above |
| Action 3: | Detail target industry information, providing digital copies of all marketing collateral | ED | C | | | [Bar] | | | | | | | | | Included with above |
| Action 4: | Continue offering sites and buildings information via data source such as CoStar | ED | | | | [Bar] | | | | | | | | | Included with above |
| Action 5: | Incorporate a more detailed workforce and training section highlighting available programs and incentives | ED, TT, CL | | | | [Bar] | | | | | | | | | Included with above |
| Action 6: | Provide listing of all incentive, program, and policy information that supports economic development | ED, OM, OC, UA, SC | | | | [Bar] | | | | | | | | | Included with above |

| OCONEE COUNTY, SC STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT Implementation Matrix | | Implementation Lead | | Implementation Timing (Years) | | | | | | | | | | Estimated Cost |
|--|--|---------------------|---------------|-------------------------------|---|---|---|---|---|---|---|---|----|---------------------|
| | | Public/NP | Private | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
| MARKETING AND OUTREACH STRATEGIES (CONT.) | | | | | | | | | | | | | | |
| Action 7: | Include section that cross-markets tourism and cultural-based economic development amenities/opportunities with the Mountain Lakes CVB | ED, VB | I | █ | | | | | | | | | | Included with above |
| Action 8: | Host an annual business survey on the website, activating the survey tool the same time each year | ED | | █ | | | | | | | | | | Included with above |
| Action 9: | Post all community education, awareness, and outreach materials created through the various Oconee County Economic Development Commission initiatives | ED | | █ | | | | | | | | | | Included with above |
| Action 10: | Provide contact information for ambassadors, advocates, and partner organizations | ED | I, O, D, R, N | █ | | | | | | | | | | Included with above |
| Action 11: | Incorporate a "did you know" section that highlights local demographic and economic market data | ED | | █ | | | | | | | | | | Included with above |
| Action 12: | Hire a well established website developer to ensure the infrastructure and source code are optimized to efficiently and effectively drive interest and business to Oconee County | ED | C | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Objective #2: Integrate social media outlets into Oconee County's economic development activities | | | | | | | | | | | | | | |
| Action 1: | Expand EDC's presence on Facebook with weekly updates and connections to monthly newsletters | ED | | █ | | | | | | | | | | A |
| Action 2: | Create and regularly maintain a Twitter account | ED | | █ | | | | | | | | | | A |
| Action 3: | Create and regularly maintain a LinkedIn account | ED | | █ | | | | | | | | | | A |
| Action 4: | Develop a comprehensive digital outreach list to publish regular eNewsletters and make necessary eBlast messages | ED | | █ | | | | | | | | | | A |
| Action 5: | Get a Quick Response code developed for the EDC's website that is included on all marketing collateral | ED | C | █ | | | | | | | | | | B |
| Action 6: | Have all materials translated into other languages, starting with German and Chinese | ED | C | █ | █ | █ | | | | | | | | B |
| Action 7: | Grow relationships with local and regional newspapers, developing a weekly "letter to the editor" touting successes, identifying trends, and highlighting upcoming events | ED | I | █ | █ | | | | | | | | | A |
| Action 8: | Dedicate staff time to consistently and frequently update and maintain these efforts and relationships | ED | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Objective #3: Educate and inform Oconee County citizens about the benefits and opportunities in economic development. | | | | | | | | | | | | | | |
| Action 1: | Create a "meeting in a box" kit for community groups to self-educate on the basics of economic development in Oconee County, with information on how to follow up with the implementation entity | ED, UA, SC | N | █ | | | | | | | | | | B |
| Action 2: | Advertise the advocate program, offering community groups access to residents more knowledgeable on local economic development efforts | ED | N | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Action 3: | Develop and implement an "economic development 101" program and marketing materials that offers a more hands-on approach from the implementation entity including seminars and outreach meetings by entity | ED, UA | N, I | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 4: | Hold an annual or semi-annual town hall event to debrief community members on current economic development efforts, trends and projections in the market, and likely future opportunities/efforts | ED | N | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Action 5: | Host industry-specific market summits designed to provide a panelist-style discussion on regional market conditions and how those conditions are influencing Oconee County's economy | ED | C, N, I | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |

| OCONEE COUNTY, SC STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT Implementation Matrix | | Implementation Lead | | Implementation Timing (Years) | | | | | | | | | | Estimated Cost |
|---|--|---------------------|---------|-------------------------------|---|---|---|---|---|---|---|---|----|----------------|
| | | Public/NP | Private | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
| ORGANIZATION STRUCTURE | | | | | | | | | | | | | | |
| Objective #1: Reorganize the Oconee County Economic Development Commission to best serve Oconee County. | | | | | | | | | | | | | | |
| Action 1: | Establish a 501(c)(3) entity under which all economic development functions will be administered | OC, ED | | ■ | | | | | | | | | | A |
| Action 2: | Maintain the executive director as an employee of Oconee County, reporting directly to the county administrator | OC, ED | | ■ | | | | | | | | | | A |
| Action 3: | Reconstitute a 13 to 17-person board of directors for the EDC, including representation from Oconee County, the private sector, implementation stakeholders, and municipalities | OC, ED | I, F | ■ | | | | | | | | | | A |
| Action 4: | Redefine the funding strategy for economic development efforts within Oconee County through county, municipality, and private sector funding sources; considering a "pay to play" strategy for board members | OC, OM, TT, SC | I, F, R | ■ | | | | | | | | | | B |
| Action 5: | Hire the appropriate staff to adequately implement the mission of the implementation strategy as employees of the 501(c)(3), including an economic development manager and a marketing manager | ED | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | E |
| Action 6: | Incorporate the Oconee Alliance funding and mission into the Oconee County EDC | OC, ED, OA | D, O | ■ | ■ | ■ | | | | | | | | A |
| Action 7: | Incorporate the funding and mission of the Mountain Lakes Development Corporation into the Oconee County EDC as part of the 501(c)(3) operations | OC, ED, SB | | ■ | ■ | ■ | | | | | | | | A |
| Action 8: | Establish a formal mentorship program in coordination with the Mountain Lakes Development Corporation that provides direct support to qualified small businesses | ED, SB | I | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | C |
| Action 9: | Develop and implement a marketing strategy to introduce the reorganized EDC | OC, OM, ED | I | ■ | ■ | | | | | | | | | A |
| Action 10: | Create a detailed business plan based on the priorities and available resources to implement the strategic plan for economic development; to be reviewed and updated annually | ED | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | B |
| Action 11: | Establish a permanent presence for the EDC at the Golden Comer Commerce Park | OC, OM, ED | | | | ■ | ■ | ■ | ■ | | | | | D |
| Action 12: | Define the metrics which will be used to determine the efficiency and effectiveness of the new EDC | OC, ED | | ■ | ■ | | | | | | | | | A |
| Action 13: | Monitor successes and implementation efforts in a pre-established accounting system | ED | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | B |
| Objective #2: Staff the Oconee County EDC with the sufficient technical capacity to implement the mission | | | | | | | | | | | | | | |
| Action 1: | Maintain the economic development manager position | ED | | ■ | | | | | | | | | | A |
| Action 2: | Hire marketing consultant to create all new marketing collateral and enhance the organizations existing outreach materials (i.e. website, Facebook page, Twitter page..) | ED | | ■ | | | | | | | | | | C |
| Action 3: | Hire a full-time marketing manager to oversee marketing, recruitment, and public relations needs | ED | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | C |
| Action 4: | Encompass staffing from Mountain Lakes Development Corporation into EDC staffing program (only if MLDC is incorporated into the Oconee County EDC) | OC, ED, SB | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Action 5: | Hire a business retention specialist to implement the existing business outreach effort | ED | | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | C |
| Action 6: | Hire an executive assistant to the executive director to oversee day-to-day operations and provide support for travel and scheduling needs | ED | | | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | C |
| Objective #3: Enhance the coordination and collaboration of stakeholders that influence economic development. | | | | | | | | | | | | | | |
| Action 1: | Establish a regular County staff coordination meeting with the EDC, the administrators office, and individual department heads to discuss issues and opportunities | OC, ED | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |

| OCONEE COUNTY, SC STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT Implementation Matrix | | Implementation Lead | | Implementation Timing (Years) | | | | | | | | | | Estimated Cost |
|---|---|---------------------|---------|-------------------------------|---|---|---|---|---|---|---|---|----|----------------|
| | | Public/NP | Private | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
| ORGANIZATION STRUCTURE (CONT.) | | | | | | | | | | | | | | |
| Action 2: | Establish a regular municipal focus group of representatives from each County municipality to discuss economic development issues, opportunities, and needs | ED, OM | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Action 3: | Create a listserve of municipal, County and state elected officials and relevant department representatives to streamline information and assistance requests for economic development purposes | ED | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 4: | Establish quarterly meeting schedule with Upstate Alliance and the South Carolina Department of Commerce to coordinate and strategize efforts | ED, UA, SC | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Action 5: | Distribute a quarterly progress report to local, regional and statewide economic development stakeholders | ED | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Objective #4: Increase public awareness and support for economic development. | | | | | | | | | | | | | | |
| Action 1: | Implement a marketing and education campaign targeted to Oconee residents that informs them of [1] what is economic development, [2] what its benefits are, [3] how they are impacted, and [4] ways to get involved | ED, OC, OM | N | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 2: | Attend civic organization and neighborhood association meetings outside of a rezoning or specific development project to hold question and answer sessions on economic development in the County | ED | N | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 3: | Implement an annual survey for Oconee County residents to provide feedback on economic development priorities and concerns | ED | N, I | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Action 4: | Establish and implement a semiannual or annual "town hall" forums in Westminster, Seneca, Walhalla, north county and south county to discuss economic development and market-based issues | OC, ED | N | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 5: | Identify and train up to five community leaders into the EDC Advocate program, having them be the first point of contact for community and citizen issues, attending community/HOA meetings | ED | N | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Objective #5: Activate the existing business community to become economic development partners. | | | | | | | | | | | | | | |
| Action 1: | Establish focus groups of 8 to 20 business leaders in each of the following areas: product manufacturing, healthcare, logistics, and tourism | ED, OC, VB | I, O, R | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Action 2: | Meet with these focus groups as needed, but no less than quarterly, to discuss topics and issues influencing their respective industries locally, regionally and nationally | ED | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 3: | Integrate the Oconee County Industrial Group mission into the Oconee County EDC, providing a more direct link between local businesses and economic development | ED, IG | I | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Action 4: | Explore the potential to build a support 501(c)(6) subsidiary of the EDC as a funding mechanism to promote and pursue the interests of the OCIG | ED, OC, IG | I | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 5: | Identify and coordinate existing business leaders within various industry sectors (i.e. healthcare, manufacturing, logistics...) to become Ambassadors, actively participating in business recruitment and | ED, IG | I | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | B |
| Action 6: | Identify and train local business leaders to become business mentors to small businesses, start-up businesses and home-based businesses interested in expanding their operations | ED, SB | I | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | C |
| Objective #6: Develop working subcommittees of the Oconee County EDC to assist in implementation and outreach. | | | | | | | | | | | | | | |
| Action 1: | Establish five subcommittees of the Board of Directors in the following areas: Industry recruitment, marketing and outreach, small business issues, workforce development, and business retention (OCIG) | ED | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |
| Action 2: | Assign a member of the Board to be chairperson of each of the subcommittees | ED | | █ | █ | █ | █ | █ | █ | █ | █ | █ | █ | A |

| OCONEE COUNTY, SC STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT Implementation Matrix | | Implementation Lead | | Implementation Timing (Years) | | | | | | | | | | Estimated Cost |
|--|--|---------------------|---------------|-------------------------------|---|---|---|---|---|---|---|---|----|----------------|
| | | Public/NP | Private | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | |
| ORGANIZATION STRUCTURE (CONT.) | | | | | | | | | | | | | | |
| Action 3: | Solicit participation from community leaders, business leaders and strategic stakeholders for each of the committees | ED | I, O, R, N, F | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Action 4: | Have each subcommittee provide an action plan to support the EDC's business plan (which should reflect the strategic plan) | ED | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | A |
| Action 5: | Hold monthly or bi-monthly meetings for each committee to discuss progress, identify opportunities, and assign responsibilities for action | ED | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | B |
| Action 6: | Convene an annual EDC retreat for all Board members and committee members to strategize objectives and action items for the coming year | ED | | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■ | B |

LEGEND

Implementation Leaders

Public:

- CL - Clemson University
- OC - Oconee County Government
- OM - All Oconee County Municipalities
- SC - State of South Carolina
- SE - Seneca
- TT - Tri-County Tech
- US - Federal Government
- WH - Walhalla
- WM - Westminster

Partners:

- BR - Blue Ridge Electric Cooperative
- CC - Chambers of Commerce
- DP - Duke Power
- ED - Oconee County Economic Development Commission
- GA - Clemson-Oconee County Regional Airport
- IG - Oconee County Industrial Group
- OA - Oconee Alliance
- SB - Mountain Lakes Business Development Corporation
- UA - Upstate Alliance
- UB - Oconee Joint Regional Sewer Authority
- VB - Mountain Lakes Convention and Visitors Bureau

Private

- C - Consultant
- D - Development Community
- F - Financial Institutions
- I - Industry Leaders
- N - Neighborhood Residents
- O - Property Owners
- R - Realtors/Brokers

■ Action

■ Implementation

Cost Estimate Legend:

- A - Under \$1,000
- B - \$1,000 to \$10,000
- C - \$10,000 to \$50,000
- D - \$50,000 to \$100,000
- E - \$100,000 to \$500,000
- F - Over \$500,000
- Unk. - Unknown

H. POTENTIAL COSTS

The potential costs of implementing the strategic plan for economic development fall into two categories; one-time start-up costs and operational costs. The start-up costs are singular cash infusions into programs or investments intended to catalyze a specific program or effort. These costs are not expected to reoccur unless both the EDC Board and the County Council agree. Operational costs are the costs to administer and implement the various marketing, outreach, and recruitment efforts. These costs are presented as annual outlays, recurring each year. It is important to note these cost estimates do not account for how these costs are paid (i.e. either appropriations or outside sources). The newly-formed 501(c)(3) will have the capability of seeking sponsorships, donations, in-kind services and grants whenever possible.

1. One-Time Costs

The Consultant estimates the one-time, initiation costs will range between \$100,000 and \$150,000 in various consulting efforts to establish the entities marketing presence and determine the feasibility of several potential projects. Other potential initial investments include computer systems and furniture for the EDC. A longer-term investment would be the eventual relocation of the EDC to the Golden Corner Commerce Park, which will require a capital investment for a new building in that Park. Assuming a level of fit-out commensurate with economic development marketing purposes, the cost for this facility could range between \$750,000 and \$1.5 million. However, this cost could be defrayed if included as part of a shared facility.

2. Staffing and Operations

The initial staffing recommendation (three positions) are projected to cost between \$200,000 and \$250,000 annually (salaries and benefits). The executive director position likely will range between \$75,000 and \$100,000; the economic development director likely will range between \$45,000 and \$65,000; and the marketing manager likely will range between \$35,000 and \$50,000 in base salary. The addition of a business retention specialist/technician at some point likely will increase costs by \$30,000 and \$40,000 annually (base salary) and an administrative assistant by \$15,000 to \$25,000 (base salary) above the initial range.

3. Small Business Programs

Implementing the comprehensive small business initiative as part of the EDC is projected to have an annual cost between \$30,000 and \$60,000. Much of this total is a result of the development and implementation of the actual training and business development programs. It is expected that some of these costs will be recuperated through user fees or the responsibility of the education partner implementing the program. The implementation entity should target between 25% and 35% of these costs to come from alternative sources other than City appropriations.

4. Market and Asset Programs

If the implementation entity implements a full recruitment strategy within each of the five target industry clusters, the potential annual cost would range between \$50,000 and \$75,000 annually. The majority of this cost is related to the recruitment and retention visits/events held with existing and prospective businesses. The development and maintenance of the development prospectus materials has a smaller, but considerable cost as well. As detailed in the existing capital improvements program, capital costs for physical investments will require a substantially larger amount of money.

5. Marketing and Outreach Programs

As mentioned, much of the cost to implement the marketing and outreach effort will be in initial outlays for the development and printing of the marketing materials, establishing the organization's internet presence, and developing conference, exhibit and event presentation collateral. Costs related to marketing and outreach operations are estimated to range between \$50,000 and \$100,000. Much of this expense is for the implementation entity to maintain memberships, attend/participate in conferences, and market to the various trade organizations related to the target industry groups. This effort can expand or contract depending upon how aggressive the implementation entity chooses to invest.

Beth Hulse

From: Beth Hulse
Sent: Friday, January 11, 2013 9:48 AM
To: Andrew; Beth Hulse; Chad Dorsett; Greenville News (localnews@greenvillenews.com); Kevin; LaDonna Becker (ladonna@dailyin.com); Norman Cannada (ncannada@upstatetoday.com); Ray Chandier; Westminster News / Keowee Courier (westnews@bellsouth.net); WGOG (dickmangrum@wgog.com); WSPA TV - Channel 7 (assignmentdesk@wspa.com)
Subject: Council Workshop: 1/15/13

Oconee County Council has scheduled a **Workshop Meeting** for **Tuesday, January 15, 2013, 6:00 p.m.**, in Council Chambers, Oconee County Administrative Offices, 415 S. Pine Street, Walhalla, SC for the purpose of discussing in greater detail the Oconee County Economic Development Commission Strategic Plan.

Elizabeth G. Hulse

Clerk to County Council

Oconee County Administrative Offices

415 South Pine Street

Walhalla, SC 29691

864-718-1023

864-718-1024 [fax]

bhulse@oconeesc.com

www.oconeesc.com/council

CONFIDENTIALITY NOTICE: This e-mail message, including any attachments, is for the sole use of the intended recipient(s) and may contain confidential, proprietary, and/or privileged information protected by law. If you are not the intended recipient, you may not read, use, copy, or distribute this e-mail message or its attachments. If you believe you have received this e-mail message in error, please contact the sender by reply e-mail or telephone immediately and destroy all copies of the original message.



.....news release.....

Oconee County
Administrative Offices
415 South Pine Street
Walhalla, SC 29691

Phone: 864-718-1023
Fax: 864-718-1024

E-mail
bc@oconee-sc.com

Oconee County Council has scheduled a **Workshop Meeting** for **Tuesday, January 15, 2013, 6:00 p.m.**, in Council Chambers, Oconee County Administrative Offices, 415 S. Pine Street, Walhalla, SC for the purpose of discussing in greater detail the Oconee County Economic Development Commission Strategic Plan.



- Paul Corbell
Vice Chairman
District I
- Wayne McCall
District II
- Archie Barron
District III
- Joel Thrift
District IV
Chairman
- Reg Dexter
District V

